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NOTICE

The undermentioned Gazettes of India Extraordinary were published up to the 11th September 1954:—

Issue No.	No. and date	Issued by	Subject
201	S. R. O. 2929, dated the 6th September 1954.	Election Commission, India.	Final List of candidates for election to the Council of States by the elected Members of the West Bengal Legislative Assembly.
202	S. R. O. 2930, dated the 6th September 1954.	Ministry of Finance (Revenue Division).	Amendment in the notification No. 13-Customs, dated the 28th February 1953 of the Ministry of Finance (Revenue Division).
203	S. R. O. 2931, dated the 7th September 1954.	Election Commission, India.	Appointment of Returning Officer for election to fill a vacancy in the Council of States.
204	S. R. O. 2932, dated the 26th August 1954.	Ditto.	Order of the Election Tribunal, Mysore on Election Petition No. 135 of 1952.
205	S. R. O. 2933, dated the 7th September 1954.	Ministry of Finance (Revenue Division).	Amendment in the notification No. 13-Customs, dated the 28th February 1953 of the Ministry of Finance (Revenue Division).
	S. R. O. 2934, dated the 7th September 1954.	Ditto.	Ditto.
206	S. R. O. 2935, dated the 7th September 1954.	Election Commission, India.	Appointment of a Tribunal for the trial of an election petition in the petition Fazilka-Sirsa Constituency presented by Shri Masti Ram.
207	S. R. O. 2936, dated the 7th September 1954.	Ministry of Law.	Fixation of the hours during which the poll shall be taken in the Midnapore-Jhargram Parliamentary Constituency in the State of West Bengal.

Issue No.	No. and date	Issued by	Subject
208	S. R. O. 2937, dated the 8th September 1954.	Delimitation Commission, India.	Proposals in respect of distribution of seats allotted to the State of West Bengal in the House of the People and the seats assigned to the Legislative Assembly of that State.
209	S. R. O. 2979, dated the 8th September 1954.	Ministry of Finance (Revenue Division).	Amendment in the Ministry of Finance (Revenue Division) notification No. S.R.O. 961, dated the 25th May 1953.
210	S. R. O. 2980, dated the 10th September 1954.	Ministry of Finance	Exemption to M/s. Burmah-Shell Refineries Ltd., Bombay from the prohibitions contained in sub-section (1) of Section 91B of the Indian Companies Act, 1913.

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of this Gazette.

PART II—Section 3

Statutory Rules and Orders issued by the Ministries of the Government of India (other than the Ministry of Defence) and Central Authorities (other than the Chief Commissioners).

ELECTION COMMISSION, INDIA

New Delhi, the 6th September 1954

S.R.O. 2986.—It is hereby notified for general information that the disqualifications under clause (c) of section 7 and section 143 of the Representation of the People Act, 1951 (XLIII of 1951), incurred by the persons whose names and addresses are given below, as notified under Notification No. PB-P/54(3)/BYE, dated the 23rd August, 1954, have been removed by the Election Commission in exercise of the powers conferred on it by the said clause and section 144 of the said Act respectively:—

Shri Sunam Rai, S/o Shri Kanshi Ram, Journalist, Fazilka, Punjab.

Shri Ram Rakha, Secretary, Wool Merchants Association, Fazilka, Punjab.

[No. PB-P/54(4)/BYE.]

By Order,

P. N. SHINGHAL, Secy.

MINISTRY OF STATES

New Delhi, the 10th September 1954

S.R.O. 2887.—The Central Government is pleased to notify that Yuvraj Shri Manoharsinhji and Rajkumar Shri Prahaladsinhji, sons of His Highness the Thakore Saeb of Rajkot, have been nominated by the said Ruler, for the purposes of Entry 2(b) of the Table annexed to Schedule I of the Indian Arms Rules, 1951.

[No. 106-D.]

S.R.O. 2888.—The Central Government is pleased to notify that Maharajkumar Yuvraj Shri Shivendrasinhji, son of His Highness the Thakore Saeb of Palitana, has been nominated by the said Ruler, for the purposes of Entry 2(b) of the Table annexed to Schedule I of the Indian Arms Rules, 1951.

[No. 107-D.]

K RAJA RAM, Under Secy.

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 11th September 1954

S.R.O. 2889.—In exercise of the powers conferred by section 8 of the Diplomatic and Consular Officers (Oaths and Fees) Act, 1948 (XLI of 1948), the Central Government hereby directs that the following amendment shall be made in the Notification of the Government of India in the Ministry of External Affairs No. 511-Cons., dated the 14th August, 1954, namely:—

In the said notification, for the figures, letters and word "31st August, 1954", the figures, letters and word "30th September, 1954" shall be substituted.

[No. DCOFR/AM/4.]

I. S. CHOPRA, Jt. Secy.

MINISTRY OF HOME AFFAIRS

New Delhi, the 8th September 1954

S.R.O. 2990.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the notification of the Government of India in the late Home Department, No. F.9/2/33-Ests., dated the 9th January, 1934, namely:—

In the Schedule to the said notification after the heading and entries under "Department of Mines", the following heading and entries thereunder shall be inserted, namely:—

"OFFICE OF THE LABOUR APPELLATE TRIBUNAL

Deputy Registrar	Secretary, Ministry of Labour.	Secretary, Ministry of Labour.	All
		Chairman, Labour Appellate Tribunal	(i) to (v)
Assistant Registrar	Secretary, Ministry of Labour.	Secretary, Ministry of Labour.	All
		Chairman, Labour Appellate Tribunal	(i) to (v)"

[No. 7/14/54-Ests.]

S.R.O. 2991.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the notification of the Government of India

in the late Home Department, No. F.9/2/33-Ests., dated the 9th January, 1934, namely:—

In the Schedule to the said Rules after the entry under the head “Imperial Institute of Sugar Technology”, the following heading and entries thereunder shall be inserted, namely:—

“INDIA DAIRY RESEARCH INSTITUTE, BANGALORE

Class II Posts	Director, Indian Dairy Research Institute.	Director, Indian Dairy Research Institute.	All”
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[No. 7/15/54-Ests.]

S.R.O. 2992.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the rules published with the notification of the Government of India in the late Home Department, No. F.9-19/30-Ests., dated the 27th February, 1932, namely:—

In the Schedules to the said Rules, under the heading “Department of Education, Health and Lands”, the following sub-heading and entries thereunder shall be inserted, namely:—

“INDIAN DAIRY RESEARCH INSTITUTE, BANGALORE

Class III Posts	Director	Director	All	Secretary, Ministry of Food & Agriculture”.
Class IV Posts	Assistant Administrative Officer.	Assistant Administrative Officer.	All	Director”

[No. 7/15/54-Ests.]

S.R.O. 2993.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the rules published with the notification of the Government of India in the late Home Department, No. F.9-19/30-Ests., dated the 27th February, 1932, namely:—

In the Schedule to the said rules at the end of the entries under the heading “Department of Industries and Labour”, the following sub-heading and entries shall be inserted, namely:—

“OFFICE OF THE LABOUR APPELLATE TRIBUNAL

Private Secretary	Chairman, Labour Appellate Tribunal.	Chairman, Labour Appellate Tribunal.	All	Secretary, Ministry of Labour.
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Headquarters Bench

Senior Clerk, Stenographer, Upper Division Clerk and lower Division Clerk.	Chairman, Labour Appellate Tribunal.	Chairman, Labour Appellate Tribunal.	All	Secretary, Ministry of Labour.
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Registrar, Labour Appellate Tribunal.

(i) to (v) Chairman Labour Appellate Tribunal.

Other Benches

Senior Clerk, Stenographer, Upper Division Clerk and lower Division Clerk.	Chairman, Labour Appellate Tribunal.	Chairman Labour Appellate Tribunal.	All	Secretary, Ministry of Labour.
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President, Labour Appellate Tribunal Bench.

(i) to (v) Chairman, Labour Appellate Tribunal.

Headquarters Bench				
Class IV Posts	Registrar, Labour Appellate Tribunal.	Registrar, Labour Appellate Tribunal.	All	Chairman, Labour Appellate Tribunal.
Other Benches				
Class IV Posts	Deputy Registrar, Labour Appellate Tribunal Bench.	Deputy Registrar, Labour Appellate Tribunal Bench.	All	President, Labour Appellate Tribunal Bench."

[No. 7/14/54-Ests.]

New Delhi, the 13th September 1954

S.R.O. 2994.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the rules published with the notification of the Government of India in the late Home Department, No. *F.9-19/30-Ests., dated the 27th February 1932, namely:—

In the Schedule to the said Rules, under the heading "Department of Education, Health and Lands", for the sub-heading "Imperial Institute of Sugar Technology" and the entries made thereunder, the following sub-heading and entries shall be substituted, namely:—

INDIAN INSTITUTE OF SUGAR TECHNOLOGY, KANPUR

Class III posts	Director	Director	All	Secretary, Ministry of Food & Agriculture
Class IV posts	First Assistant	First Assistant	All	Director"

[No. F.7/16/54-Ests(A).]

S.R.O. 2995.—In exercise of the powers conferred by the proviso to article 309 of the Constitution read with articles 313 and 372 thereof and paragraph 19 of the Adaptation of Laws Order, 1950, the President hereby directs that the following further amendment shall be made in the notification of the Government of India in the late Home Department No. F.9/2/33-Ests., dated the 9th January, 1934, namely:—

In the Schedule to the said notification under the heading "Agriculture Department" for the sub-heading "Imperial Institute of Sugar Technology", and the entries thereunder, the following sub-heading and the entries thereunder shall be substituted, namely:—

INDIAN INSTITUTE OF SUGAR TECHNOLOGY, KANPUR

Class II posts	Director	Director Secretary Minis- try of Food & Agriculture.	(i) to (v) (vi) and (vii)"
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[No. F.7/16/54-Ests(A).]

S. P. MAHNA, Under Secy.

ORDERS

New Delhi, the 8th September 1954

S.R.O. 2996.—In exercise of the powers conferred by sub-section (2) of section 63 of the Andhra State Act, 1953 (30 of 1953), the President hereby directs that the following amendments shall be made in the Order of the Government of India in the Ministry of Home Affairs, No. S.R.O. 1950, dated the 10th October, 1953, namely:—

In the Schedule to the said Order under the heading "Education Department, Madras"—

(i) for the entry in column (3) against Sri D. Krishnamurthy, Lower Division Clerk, Office of the Director of Public Instruction, Madras, the following entry shall be substituted, namely:—
"Allotted Officer"; and

(ii) for the entry in column (3) against Sri Y. Jesudass, Lower Division Clerk, Office of the Director of Public Instruction, Madras, the following entry shall be substituted, namely:—
“Transferred Officer”.

[No. 26/4/53-I-AIS(I).]

S.R.O. 2997.—In exercise of the powers conferred by sub-section (2) of section 63 of the Andhra State Act, 1953 (30 of 1953), the President hereby directs that the following amendment shall be made in the Order of the Government of India in the Ministry of Home Affairs, No. S.R.O. 1914, dated the 7th October, 1953, namely:—

In the Schedule to the said Order, under the heading “Madras Highways Department” and under the sub-heading “Junior Engineers/Supervisors”, serial No. 105 and the entries in columns (1), (2) and (3) against that serial number (relating to Sri B. Venkatarami Reddi) shall be omitted.

[No. 26/4/53-II-AIS(I).]

S.R.O. 2998.—In exercise of the powers conferred by sub-section (2) of section 63 of the Andhra State Act, 1953 (30 of 1953), the President hereby directs that the following amendments shall be made in the Order of the Government of India in the Ministry of Home Affairs, No. S.R.O. 1947, dated the 10th October 1953, namely:—

In the Schedule to the said Order, under the heading “Madras Medical Department”:

(a) under the sub-heading “Non-clinical Lecturers” for the entry in column (1) against serial No. 1, the following entry shall be substituted, namely:—

“Dr. D. Bhaskara Reddi”;

(b) under the sub-heading “Assistant Surgeons in the General line”—

(1) for the entry in column (1) against serial No. 42, the following entry shall be substituted, namely:—

“Dr. L. V. Jaganatha Rao”;

(2) for the entry in column (1) against serial No. 109, the following entry shall be substituted, namely:—

“Dr. (Srimathi) B. Lakshmi Krishna Rao”;

(3) serial No. 117 and the entries in columns (1), (2) and (3) against that serial number (relating to Dr. R. Bangaru) shall be omitted;

(4) for the entry in column (1) against serial No. 146, the following entry shall be substituted, namely:—

“Dr. A. G. Krishnamurthi Rao”;

(5) for the entry in column (1) against serial No. 210, the following entry shall be substituted, namely:—

“Dr. K. Sanyasi Rao”;

(6) for the entry in column (1) against serial No. 255, the following entry shall be substituted, namely:—

“Dr. O. S. Gnanasundaramma”;

(c) under the sub-heading “Temporary Assistant Surgeons”, for the entry in column (1) against serial No. 31, the following entry shall be substituted, namely:—

“Dr. (Srimathi) R. Archutham”;

(d) under the sub-heading “Nursing staff—Non-gazetted”—

(1) for the entry in column (1) against serial No. 11, the following entry shall be substituted, namely:—

“Srimathi D. Deevanamma”;

(2) for the entry in column (1) against serial No. 20, the following entry shall be substituted, namely:—

“Srimathi E. H. Dweltz”;

(3) serial numbers 38, 39, 40 and 42 and the entries in columns (1), (2) and (3) against those serial numbers (relating to Srimathi J. Glory,

Srimathi G. M. Srinivasa Rao, Kumari H. Nathaniel and Srimathi A. M. Sarma) shall be omitted;

(4) for the entry in column (1) against serial No. 47, the following entry shall be substituted, namely:—
“Kumari S. Savithri”;

(5) for the entry in column (1) against serial No. 51, the following entry shall be substituted, namely:—
“Srimathi D. L. Suvedamma”;

(6) for the entry in column (1) against serial No. 61, the following entry shall be substituted, namely:—
“Srimathi K. J. Rajarathnam”;

(7) for the entry in column (2) against serial No. 63 (relating to Kumari M. G. Francis), the following entry shall be substituted, namely:—
“Nurse, Government Tuberculosis Sanatorium, Tambaram”;

(8) for the entry in column (1) against serial No. 77, the following entry shall be substituted, namely:—
“Srimathi G. D. Vayunandana Rao”;

(9) for the entry in column (1) against serial No. 92, the following entry shall be substituted, namely:—
“Srimathi T. D. Prasada Rao”;

(10) for the entry in column (1) against serial No. 97, the following entry shall be substituted, namely:—
“Kumari B. M. Sundaraleela”;

(11) for the entry in column (1) against serial No. 98, the following entry shall be substituted, namely:—
“Kumari N. Kamalkantham”;

(12) for the entry in column (1) against serial No. 109, the following entry shall be substituted, namely:—
“Kumari M. N. Sudarsanam”;

(13) for the entry in column (1) against serial No. 114, the following entry shall be substituted, namely:—
“Kumari S. Rodha”;

(14) for the entry in column (1) against serial No. 156, the following entry shall be substituted, namely:—
“Sri K. V. L. Narasimha Rao”;

(15) for the entry in column (1) against serial No. 169, the following entry shall be substituted, namely:—
“Sri M. Gopirajulu”;

(16) for the entry in column (1) against serial No. 198, the following entry shall be substituted, namely:—
“Srimathi S. M. Devasahayam”;

(17) for the entry in column (1) against serial No. 204, the following entry shall be substituted, namely:—
“Kumari E. V. Davamani”;

(18) for the entry in column (1) against serial No. 228, the following entry shall be substituted, namely:—
“Srimathi D. S. Augustine”;

(19) for the entry in column (1) against serial No. 230, the following entry shall be substituted, namely:—
“Sri David Balasundaram”;

(20) for the entry in column (1) against serial No. 240, the following entry shall be substituted, namely:—
“Sri T. J. Isaac”;

(e) under the sub-heading "Temporary Nurses" (inserted vide S.R.O. No. 2237, dated the 5th July, 1954)—

- (1) for the entry in column (1) against serial No. 11, the following entry shall be substituted, namely:—
"Sri M. Sundariah";
- (2) for the entry in column (1) against serial No. 23, the following entry shall be substituted, namely:—
"Srimathi G. Rajyalakshmi";
- (3) for the entry in column (1) against serial No. 41, the following entry shall be substituted, namely:—
"Kumari T. H. Flora";
- (4) for the entry in column (2) against serial No. 49 (relating to Kumari S. Yesudoss), the following entry shall be substituted, namely:—
"Temporary Nurse, Government Headquarters Hospital, Machilipatnam";
- (5) for the entry in column (1) against serial No. 57, the following entry shall be substituted, namely:—
"Kumari M. Joshua";
- (6) for the entry in column (1) against serial No. 74, the following entry shall be substituted, namely:—
"Sri M. Pitchiraju";
- (7) for the entry in column (1) against serial No. 113, the following entry shall be substituted, namely:—
"Kumari P. V. Lakshmamma"; and
- (8) for the entry in column (1) against serial No. 122, the following entry shall be substituted, namely:—
"Kumari A. Aroga Mary".

[No. 28/4/53-III-AIS(I).]

S.R.O. 2999.—In exercise of the powers conferred by sub-section (2) of section 63 of the Andhra State Act, 1953 (30 of 1953), the President hereby directs that the following amendment shall be made in the Order of the Government of India in the Ministry of Home Affairs, No. S.R.O. 1876, dated the 5th October, 1953, namely:—

In the Schedule to the said Order, under the heading "Madras Civil Supplies Department", serial No. 15 and the entries in columns (1), (2) and (3) against that serial number (relating to Sri K. S. Vijayaraghavan) shall be omitted.

[No. 28/4/53-IV-AIS(I).]

N. N. CHATTERJEE, Dy. Secy.

MINISTRY OF FINANCE
(Department of Economic Affairs)

New Delhi, the 6th September 1954

S.R.O. 3000.—In exercise of powers conferred by section 50 of the Reserve Bank of India Act, 1934 (II of 1934), the Central Government hereby appoint the following Auditors, as Auditors of the Reserve Bank of India for the year 1954-55, namely:—

1. Messrs. S. B. Billimoria & Co., 113, Esplanade Road, Bombay.
2. Messrs. Sastri & Shah, 15, Armenian Street, Madras.
3. Messrs. P. K. Ghosh & Co., 17, Mangoe Lane, Calcutta.

[No. F.3(40)-F.I/54.]

N. C. SEN GUPTA, Dy. Secy.

(Department of Economic Affairs)
(Company Law and Investment Administration)

COMPANY LAW

New Delhi, the 6th September 1954

S.R.O. 3001.—It is hereby notified for general information that in pursuance of sub-section (2) of section 248 of the Indian Companies Act, 1913 (VII of 1913), the Central Government has appointed with effect from the 16th August, 1954 (forenoon) Shri Paramjit Singh, Director of Industries, Pepsu, to be the Registrar of Joint Stock Companies vice Shri S. Amrit Lal retired.

[No. 3(57)-CLIA/54.]

P. D. KASBEKAR, Dy. Secy.

Department of Economic Affairs

New Delhi, the 8th September, 1954

Report of the Central Board of Directors of the Reserve Bank of India for the year July 1, 1953—June 30, 1954.

S.R.O. 3002.—In accordance with Section 53(2) of the Reserve Bank of India Act, 1934, the Central Board of Directors submits to the Central Government this Annual Report on the working of the Bank and the Accounts of the Bank for the twentieth accounting period beginning on July 1, 1953 and ending on June 30, 1954.

The Historical Perspective

2. The distinguishing feature of the Indian economy during 1953-54 was its overall stability. This represented to a certain extent the culmination of the disinflationary process initiated towards the close of 1951. Economic policy during the year further strengthened the forces making for stability and flexibility of the system. As the year progressed it was therefore possible to envisage substantial acceleration of development outlay without undue fears of generating a rolling inflation.

3. **Indian Economy after World War II.**—Since the stability achieved in 1953-54 owed in a considerable measure to the adjustments in policies effected over a period of years, a brief survey of these will facilitate a better appreciation of the progress registered during the year under review. The Indian economy emerged from World War II with a high inflationary potential. Large Government expenditure and balance of payments surpluses on private account combined with controls on prices and on private spending had added very substantially to the money and near-money assets in the hands of the public. This latent inflation had to be gradually worked off. At the same time, provincial Governments which had built up substantial reserves during the war years were eager to embark on development programmes. While the pressure of demand in both the public and private sectors was great, domestic availabilities of goods and services were not adequate to meet the requirements of both the sectors simultaneously. Economic policy was adapted to reducing, on the one hand, the pressure of pent-up demand in the system and enabling on the other, the public sector to carry out its development plans.

4. In the immediate post-war years, however, political uncertainties as well as difficulties inherent in a transition from a war to a peace economy impeded the implementation of an effective policy to achieve these twin objectives. Despite a diminution in Government expenditure for war purposes, and despite some addition to domestic availabilities of goods through import surpluses, the excess of aggregate demand over aggregate supply continued to be large. The partition of the country in 1947 further accentuated the strains in the economy through a reduction in the supply of food and other agricultural commodities. With the lifting of physical controls in November 1947, the pent-up demand in the system was released all of a sudden. Part of this was met by an increase in imports; even so, the pressure of expenditure was of such intensity that prices shot up. The general index of wholesale prices (Economic Adviser's Index: base, year ended August 1939-100) soared from 302 at the time of decontrol to a peak of 390 in July 1948. In view of the possible repercussions of this activation of latent inflation on the country's economy, especially when articles of mass consumption were in short supply, Government reversed the policy of decontrol

in July 1948, and controls were reimposed in the succeeding months on cotton textiles, foodgrains and other essential articles.

5. Changes in Policy after the Decontrol Experiment.—The decontrol experiment wrought several changes in economic policy. It was apparent that the latent inflationary potential was too large to be worked off quickly through a rise in general prices. The process had to be gradual, and related to the rate at which domestic availabilities could be increased through increased production and imports. And at the same time, intensification of the pressure through creation of additional purchasing power was to be avoided. To this end, Government expenditure on schemes which were not likely to add quickly to the output of essential goods was sought to be reduced; and attempts were made to restrict disposable incomes with the public through fiscal measures. Further, imports were liberalised, especially imports from soft currency areas. Various concessions were given to industry to promote productive investment. In order to facilitate industrial investment, the Industrial Finance Corporation of India was set up. On the monetary side, the promulgation of the Banking Companies (Control) Ordinance in September 1948 paved the way for a more effective regulation of the banking system. This Ordinance authorised the Reserve Bank to issue directives to banking companies in regard to their lending policies and to call for periodic returns from banks. There was thus in the later half of 1948 a move towards integrating the several elements of economic policy into a concerted programme for fighting inflation.

6. The period of decontrol had, however, left a permanent impress on the system. Though the anti-inflationary measures mentioned above curbed the rise in prices, they continued well above the pre-decontrol level. There was a diminution in the liquid assets at the disposal of the public, and the rise in prices reduced further the real value of the portion of such assets still with the public. Liberalisation of imports facilitated building up of stocks of goods by the public. Bank advances also reached a high level in the busy season which coincided with the decontrol period.

7. Trade Policy and.—There was also another side to the picture. Trade policy in 1948 was directed to diverting imports from the dollar area to the soft currency areas, with the object of conserving dollar resources. This shift in imports was rendered easier by the substantial sterling release secured under the Indo-U.K. Financial Agreement of July 1948. On the exports side, various measures were taken to step up hard currency earnings without depriving the traditional export markets or the domestic consumer of necessary supplies. But this drive was impeded by the increase in domestic prices and the recessionary turn in the American economy. The latter factor affected India's trade not only directly but also through its repercussions on the sterling and other soft currency countries. Since selling in the American market tended to become more and more difficult, exports were diverted to other soft currency countries, and this was true of India also. Thus the position was such that exports had to face severe competition while imports were rendered easier. In the event, India had a large adverse balance of trade; and the balance of payments deficit on current account (excluding Pakistan) reached the high level of Rs. 102 crores in the first quarter of 1949. Though the deficit came down in the subsequent quarters, it was still large enough to cause concern.

8. The net draft on foreign exchange resources in 1948-49 amounted to Rs. 227 crores, not taking into account the extraordinary transfers in respect of the allocation of assets to the State Bank of Pakistan and payments to the U.K. on account of military stores and funding of pension annuities. In view of this, it was no longer possible to work off whatever latent inflation there was in the system through continued import surpluses. Indeed, considerations of foreign exchange required tightening of imports and diversion of domestic output to foreign trade. To this end, it was proposed to restrict imports from hard currency areas to 75 per cent. of the 1948 level. And in September 1949 the rupee was devalued by 30·5 per cent. in terms of the dollar, along with currencies of a large number of other countries.

9. Devaluation.—Following devaluation, there was a spurt in exports and in the last quarter of 1949, the balance of payments on current account (including Pakistan) disclosed a surplus of Rs. 52 crores. The international payments position of the country thus tended to have an inflationary impact. In expectation of this, and with a view to cushioning the impact of devaluation, export duties were imposed on a number of articles and that on hessian was enhanced. Additional anti-inflationary measures were also taken subsequent to October 1949. Prices of controlled commodities like foodgrains, cloth, yarn, pig iron and steel were reduced

and steps were taken to reduce Government expenditure and enhance Government receipts through taxes and loans. To curb speculation, futures trading in a number of commodities was prohibited. Following the advice of the Reserve Bank—that advances for speculative purposes, including speculative holding of stocks, should be discouraged—and the calling of daily returns relating to credit limits of Rs. 1 lakh and over sanctioned by banks, the banks were more cautious in their lending operations; and the expansion of scheduled bank credit in the busy season of 1949-50 was lower at Rs. 91 crores as against Rs. 112 crores in the previous busy season.

10. Despite the various measures taken during 1949-50, the general price index in June 1950 was 4·6 per cent. higher than in June 1949, and 1·7 per cent. higher than in August 1949, prior to devaluation. The rise in prices was due mainly to an increase in the prices of industrial raw materials, resulting in part from the cessation of imports of cotton and jute from Pakistan following devaluation. Notwithstanding the intensification of the Grow More Food Campaign, available food supplies during the year were limited. Between July 1949 and June 1950, money supply had increased by Rs. 12 crores. This was due mainly to the balance of payments surplus mentioned above.

11. **The Post-Korean Inflationary Upsurge.**—By mid-1950, however, there were indications that the inflationary stimulus provided by devaluation had spent itself. If this trend had continued and if a position of near balance in the foreign exchange sector had been reached, the anti-inflationary measures that had been taken in the post-devaluation period might have led to a gradual working off of the excess demand in the system and enabled the country to devote greater attention to the problems of development. But with the outbreak of the Korean War in June 1950, there was an upsurge of inflation in India, as elsewhere. There was a big increase in export earnings due to a rise in both quantity and prices; at the same time, restrictions on exports of essential commodities by several countries as well as shortage of shipping prevented the increased export earnings from being utilised for additional imports. Between July 1950 and March 1951, the surplus on balance of payments aggregated Rs. 70 crores and this inevitably added to domestic incomes. Simultaneously, the food situation in the country deteriorated following serious damage to crops due to natural calamities. Commodities like cotton and jute were also in short supply and their prices moved up rapidly. Due largely to the increase in the prices of industrial raw materials, the general index of wholesale prices rose from 396 in June 1950 to a peak of 458 in April 1951.

12. These developments in the internal and international spheres, together with an increase in speculative activity, led to a sharp increase in the demand for funds during the busy season of 1950-51. To meet this abnormal demand, commercial banks were compelled to liquidate their holdings of Government securities. The prices of gilt-edged securities sagged in the absence of official support and the rates of interest moved up rapidly. By December 1950, the gilt-edged market had touched a very low level, with the 3 per cent. Convertible gilt-edged market had touched at Rs. 93. To prevent a further deterioration in the securities market, and to put commercial banks in possession of funds which they needed to meet the seasonal demands, the Reserve Bank entered the market and resumed purchase of securities.

13. These two elements, viz., balance of payments surpluses and open market operations of the Reserve Bank, led to a sharp increase of Rs. 104 crores in money supply during the year 1950-51. Indeed, in the busy season of 1950-51, extending from October 1950 to mid-May 1951, the increase in money supply with the public was of the order of Rs. 236 crores.

14. **Measures taken to Counteract Inflation.**—The Korean boom thus rendered the economy once again highly inflationary and economic policy had to be geared to fighting this relentlessly. With this object, quota and destinationary restrictions on exports were imposed and export duties on a variety of articles such as hessian, sacking and raw cotton were greatly enhanced. Exports of medium and coarse cloth, cotton waste, raw wool, and groundnut were also subjected to duty. These levies enabled the Government to mop up a portion of the additional incomes created through the increase in the value of exports. Government expenditure was closely regulated, even at the risk of postponing outlays on development projects. Efforts to supplement supplies of foodstuffs etc. through imports were intensified. In order to ensure that bank credit was extended to legitimate and bona fide purposes, the Reserve Bank kept a close scrutiny on the general advances of the banking system. The fact that despite these measures the inflationary pressure was great reflects the enormous weight of external factors on the Indian economy during that phase.

15. This is further underlined by the developments subsequent to April 1951, when purchases by the U.S.A. for stock-piling purposes fell rapidly. The rate of increase in Indian prices slackened, and with the easing of international tension towards mid-1951, the prices of industrial raw materials started falling, as also the general price index. Like the expansion during the busy season of 1950-51, the contraction of money supply with the public in the following slack season was also of an abnormal magnitude. Between mid-May and October 1951, money supply with the public fell by as much as Rs. 212 crores, almost wiping out the expansion in the busy season. Even so, the position was such that any marginal change in aggregate supply or aggregate demand could have touched off another round of inflation.

16. It was essential that this position should be remedied before embarking on the development programme which had been drawn up in the meantime by the Planning Commission. The policy adopted for this purpose had two principal aspects. On the one hand, supplies on the domestic market were augmented through a series of measures. And on the other hand, further expansion of purchasing power with the public was prevented through a re-orientation of monetary policy.

17. To augment domestic supplies, attention was focussed on projects yielding results with a minimum of time lag, and on increased imports of food and raw materials. Projects such as minor irrigation works, provision of improved seeds and manure to agriculturists, as well as increase in acreage under cultivation through reclamation of land were pushed forward. The American Wheat Loan and assistance from Colombo Plan countries enabled imports of substantial quantities of foodgrains in 1951-52. Arrangements were also made for increased imports of American and Egyptian cotton, and of jute from Pakistan.

18. **New Monetary Policy.**—In the monetary sphere, a new policy was ushered in in November 1951 with the raising of the Bank Rate from 3 to 3½ per cent. and the announcement by the Reserve Bank that it would, except in special circumstances, refrain from buying Government securities to meet the seasonal requirements of scheduled banks. This change in Reserve Bank policy, coming as it did at the start of the busy season, put an effective check on credit expansion, and the busy season increase in money supply with the public amounted to only Rs. 8 crores. The shift in policy further enabled the Reserve Bank to influence the pattern of bank advances; since banks had to resort to borrowing from the Reserve Bank to meet their seasonal demands, they had to exercise greater caution in their lending operations. Following the change in its open market policy, the Reserve Bank introduced in January 1952 the Bill Market Scheme, under which advances were granted to scheduled banks having deposits of not less than Rs. 10 crores under Section 17 (4) (c) of the Reserve Bank of India Act on the security of usance promissory notes of their constituents. This scheme added considerable flexibility to the operations of the Reserve Bank as lender of last resort and gross borrowings from the Reserve Bank under this scheme amounted to Rs. 74 crores in the period January-June 1952. The scheme also helped the Reserve Bank to ensure that such advances were for bona fide trade purposes and for short periods.

19. **The Price Fall of February 1952.**—These changes in the monetary sphere supported the disinflationary factors that were already in operation internally as well as internationally. While the domestic supply position had improved, international demand, which had started falling after April 1951 continued to contract, following the adoption of dearer money policies in several countries, improvement in the supplies of several internationally-traded commodities and the easing of tension in international relations. In February 1952, the prices of certain commodities, which were the object of speculative interest, fell sharply. The price-fall generated in these markets affected other markets also, and by the middle of March 1952, the general index of wholesale prices had fallen precipitously to 365, or 8 per cent. less than the pre-Korean level.

20. **Anti recessionary Measures.**—The break in prices in February 1952 engendered a strong bearish sentiment in the commodity markets, which spread quickly to the bullion and stock markets also. As the price-fall continued, the eagerness of traders to reduce their stocks and improve their liquid position increased. A lull in the export market and the arrival of large consignments of American and Egyptian cotton made such an adjustment extremely difficult. Also, with the onset of the slack season, money supply started contracting as usual. This combination of circumstances necessitated adoption of measures for preventing the disinflation from developing into a dangerous recession. Quota and destination restrictions on a variety of exports were lifted. Export duties, which in the past had been raised steeply as an anti-inflationary measure, were

reduced drastically. The duty on hessian was brought down from Rs. 1,500 to Rs. 750 per ton in February and to Rs. 275 per ton in May 1952. The duties on raw cotton and jute sacking were halved and those on groundnut oil, certain oilseeds and raw wool were abolished. To facilitate off-take of imports of cotton, Government guaranteed to buy at listed prices cotton held by banks as security against advances and the Reserve Bank assured scheduled banks that reasonable facilities would be made available to them to finance the purchase of Indian and imported cotton. These measures, together with liberal advances by the Reserve Bank against Government securities and usance bills, contributed to a reduction in nervousness in the markets and the price-fall was arrested.

21. By the beginning of July 1952, there had thus been a remarkable change in the economic situation. Inflation had, by and large, disappeared and for the first time in the post-war years, it was possible to concentrate on speeding up development. While restricted monetary expansion in the busy season of 1951-52 and the return of funds in the subsequent slack season had contracted purchasing power with the public, supplies had been augmented by increased industrial and agricultural output and larger imports, thus narrowing the gap between aggregate supply and demand. The economic situation was therefore favourable for relaxing food and other controls and for stepping up development expenditure in the public sector which, for the reasons explained earlier, had fallen short of the level envisaged for 1951-52 in the Draft Five-Year Plan. To combat unemployment and scarcity in certain areas, relief works were undertaken. The favourable movement in India's terms of trade towards the end of 1952 and the revision of the Five-Year Plan envisaging substantial deficit-financing were factors contributing to a strengthening of sentiment in the markets; and despite lack of support from abroad, domestic prices started moving up after December 1952. With an increase in the demand for funds in the busy season of 1952-53 (October 25 to May 8), money supply increased by Rs. 83 crores and no stringency was experienced in the money markets. A very substantial increase in development outlay in the financial year 1953-54 was projected in the budget of the Central Government. All these factors, together with a continued increase in industrial output, combined to allay to a considerable extent the fears of recession which had been entertained in 1952. Even so, the prospects at the beginning of July 1953 were uncertain, in view of the lack of any significant change in the employment position, continued excess capacity in some industries, uncertainty about the trend of agricultural prices, lower level of activity in the equity and bullion markets and fears of a recession in the American economy.

Developments in 1953-54

22. Viewed against this background, the progress achieved during 1953-54 was substantial. From a position of uncertainty at the beginning, the situation had, by the latter half of the year, changed into one of increasing confidence in the stability of the economy; and business expectations tended, by and large, to be optimistic. This change in the economic outlook was brought about mainly by improvements in domestic output and stimulation of demand through adjustments in economic policy and the revival in international markets.

23. **Progress of Production.**—As the year progressed, it became apparent that the output of several agricultural and industrial products would be substantially larger than in the past. The general index of industrial production which stood at 133.2 in June 1953 rose to a record level of 144.7 in December 1953. In 1953, production in the cotton textile and salt industries surpassed the targets laid down in the Five-Year Plan and cement output attained a new high of 3.78 million tons. Output in several engineering industries increased, and some new industries were started. Production of steel and coal, which had declined in 1953, recovered in the first quarter of 1954. And though the general index of industrial production fell subsequent to December 1953, it maintained an average level of 137.6 in the period January-March 1954, compared with an average of 132.7 in the corresponding quarter of 1953.

24. Increases in food production were equally impressive. The production of cereals in 1952-53 had reached 47.6 million tons or an increase of 5 million tons over that in 1951-52. And in 1953-54, in view of the favourable weather conditions which obtained during the year, it is expected that the output would be substantially larger than in 1952-53. Raw cotton production is estimated at 39.4 lakh bales, or about 8 lakh bales more than in the previous year. Outputs of sugarcane and oilseeds are also expected to exceed those in 1952-53. Jute and tea, however, registered declines in 1953-54.

25. These increases in production facilitated an enlargement of government expenditure on development and adoption of measures to stimulate private trade

and industry. Partly to allay the prevalent fears of unemployment and partly to make up the slack in planned development outlay in the first two years of the Five-Year Plan, the rate of development expenditure had been stepped up in the budgets for 1953-54. Further, in October 1953, the projected five-year outlay was raised by Rs. 175 crores. As the year progressed, most of the controls on prices and distribution of commodities within the country were relaxed or removed and the scope for private trade was widened.

26. Budget Deficits.—As a result of the increase in development expenditure over the preceding year's level, and the concessions given during the year in export and import duties, the Central and State Governments are together estimated to have incurred, according to the figures given in the budget statements for 1954-55, an overall deficit of Rs. 154 crores in 1953-54, as compared with a similar aggregate deficit of Rs. 67 crores in 1952-53. The actual changes in the floating debt of the Government of India and in the cash balances of State Governments during the financial year 1953-54 were, however, at variance with those shown in the budgets. The net increase in the Central Government's outstanding floating debt was only Rs. 20 crores as against the revised estimate of Rs. 80 crores. Similarly, whereas the aggregate of cash balances of Part A States was estimated to show a decline of Rs. 23 crores in 1953-54, it actually rose by about Rs. 2 crores. It would thus seem that the deficit actually incurred was considerably smaller than what is indicated by the revised estimates. This is attributable in part to a shortfall in development outlay as compared to the target set in the Five-Year Plan. A substantial increase in development expenditure in 1954-55 is envisaged and according to budget estimates, the combined deficit of the Central and State Governments would be of the order of Rs. 293 crores, Rs. 250 crores of which would be financed through issue of Government of India Treasury bills and the remainder through withdrawals from cash and investment reserves.

27. Measures to Stimulate Private Sector.—Along with deficit-financing, several measures were taken to stimulate domestic economic activity. Mention has already been made of the relaxation of controls and the consequent extension of the sphere of private trade. To facilitate larger sales of cotton textiles, the excise duty on superfine cloth was reduced. A committee was appointed in August 1953 to enquire into the condition of the jute industry, and an Engineering Capacity Committee was set up to survey the extent of idle capacity in the engineering industries. In October 1953, the Reserve Bank of India appointed, with the approval of the Government, the Committee on Finance for the Private Sector. Support was extended to the formation of a private corporation with the assistance of the World Bank for promoting industrial expansion. Steps were also taken to set up a Government-owned industrial development corporation.

28. Export Promotion and.—Concurrently with these measures, steps were taken to promote exports. Duties on hessian, linseed and linseed oil were reduced, while those on medium cotton cloth and jute specialities were abolished. Quota restrictions in regard to exports of several commodities were removed or liberalised and the free licensing periods for raw cotton, cotton textiles, linseed oil etc. were extended. With a view to fostering new lines of export, the Sea Customs Act was amended in November 1953 to permit the grant of a rebate of import duty on raw materials and components used in the manufacture of goods intended for re-export. A special organisation to promote cotton textile exports was established, and it was proposed to set up similar bodies for aiding the exports of other commodities.

29. Balance of Payments.—These measures, assisted by increased demand for exports, resulted in a substantial improvement in export earnings in the last quarter of 1953. In the meantime, increased domestic output of food grains and other commodities had made possible a sizeable reduction in imports, mainly food imports. These factors led to the emergence of a balance of payments surplus on current account of Rs. 48 crores in the October-December quarter of 1953. For the half-year July-December 1953, the balance of payments surplus amounted to Rs. 55 crores as against Rs. 64 crores in the corresponding period of the previous year. During these months, the surplus with the dollar area also increased to Rs. 20 crores. In the second half of the year under review, the payments position is expected to be more or less in balance, so that for the year as a whole, the balance of payments on current account is expected to show a surplus, though it may be somewhat less than the surplus of Rs. 67 crores realised in 1952-53. This improvement in the payments position was reflected in an increase in the foreign assets of the Reserve Bank by Rs. 31 crores, from Rs. 715 crores at the end of June 1953 to Rs. 746 crores at the end of June, 1954.

30. **The Bill Market Scheme as an Instrument of Seasonal Credit Expansion.**—The budget deficit and the balance of payments surplus together contributed to an easing of money supply, particularly during the busy season, and its adjustment to seasonal demands was further assisted by the lending operations of the Reserve Bank of India. The facilities under the Bill Market Scheme had been extended in June 1953 to licensed banks having deposits of Rs. 5 crores or more. Further in July 1953 it was decided to refund—for a period of one year from October 1, 1953 in the first instance—such cost of the stamp duty on usance bills and promissory notes executed in Part B States as was in excess of Re. 0-1-0 per Rs. 1,000, in view of the comparatively high stamp duty in Part B States. These adjustments in the Bill Market Scheme enabled the commercial banks to borrow more freely from the Reserve Bank against usance bills. Gross borrowings under the Scheme amounted to Rs. 122 crores in the period January-June 1954 as compared with Rs. 61 crores in the corresponding period of 1953. As against a peak of Rs. 20 crores reached on June 9, 1953 by loans outstanding against bills, the maximum reached in 1953-54 was Rs. 31 crores on May 11, 1954. Advances outstanding against bills on June 30, 1954 amounted to Rs. 20 crores as compared with Rs. 10 crores on June 30, 1953. Besides the borrowing against usance bills, advances against Government of India securities under Section 17 (4) (a) of the Reserve Bank of India Act amounted to Rs. 162 crores between July 1953 and June 1954, as against Rs. 13 crores granted during the previous year. Though advances against Government securities were thus larger in 1953-54, it is noteworthy that in the busy half-year January-June 1954, such advances were less than those against usance bills under Section 17 (4) (c), as may be observed from the table below:

(Rupees in Crores)
Advances under

	Section 17 (4) (a) (Govt. securities)	Section 17 (4) (c) (Usance bills)
January-June 1952	135	74
January-June 1953	84	61
January-June 1954	116	122

The enormous increase in the volume of transactions under the Bill Market Scheme during the year under review is a further evidence of the effectiveness of the Scheme as an instrument of credit expansion for seasonal purposes. The Scheme has obviated the need for large purchases and sales of securities by the Reserve Bank in order to adjust money supply to seasonal conditions, and has thus prevented the unregulated secondary variations in the media of exchange which are a concomitant of such open market operations.

31. **Trends in Money Supply.**—The factors mentioned above facilitated the expansion of money supply with the public during the busy season of 1953-54. Money supply which had contracted by about Rs. 110 crores during the slack season of 1953 expanded by Rs. 185 crores between September 26, 1953 and May 7, 1954, covering the busy season. This was more than twice the expansion which occurred in the busy season of 1952-53. A feature of the expansion in money supply was the increase in deposit money by about Rs. 16 crores as against a fall of Rs. 21 crores in the previous busy season. In the same period, scheduled bank credit increased by about Rs. 99 crores. In the first two months of the current slack season, money supply fell by nearly Rs. 50 crores; but at the end of June 1954 it was still Rs. 66 crores higher than at the end of June 1953.

32. With money supply increasing sufficiently to meet the seasonal requirements of the economy, there was no abnormal hardening of money rates as the demand for funds increased. The call money rate among the larger banks which had fallen to 4-1 per cent. at the end of November 1953 increased gradually to 2 $\frac{1}{4}$ -3 per cent. on December 24 and continued at that level upto the beginning of June 1954. The rate among the smaller scheduled banks also firmed up to 3 per cent. by the middle of January 1954. As regards deposit rates, there had not been any appreciable fall in the slack season of 1953; in the busy season the three months' deposit rate rose from 2 $\frac{1}{4}$ -2 $\frac{1}{2}$ per cent. to around 3 per cent. The Treasury bill rate also firmed up, the average rate of acceptance during March 1954 being 2-69 per cent.—the highest rate attained since the resumption of Treasury bill sales in 1952.

33. Mention may be made here of the cash position of banks during the busy season. The ratio of cash and balance with the Reserve Bank to total deposit liabilities of scheduled banks fell from 11-52 per cent. at the end of

November 1953 to 8.39 per cent. on May 7, 1954, as compared with 8.33 per cent. reached by the end of the 1952-53 season (May 8, 1953). It is to be noted that while net deposit liabilities of scheduled banks had registered a fall in the 1952-53 season, they had increased somewhat in the 1953-54 season; despite this increase, the cash ratio at the end of the latter season was fractionally higher.

34. The Capital Market.—In view of the facility offered through the Bill Market Scheme and lending against Government securities by the Reserve Bank, there was little need for banks and other institutions to replenish their funds through sale of Government securities in the busy season. The gilt-edged market, which had attained a measure of stability in the previous year, continued to rule firm during the year under review, owing in part to recurrent speculation about lowering of the Bank Rate in India and in part to scarcity of floating stocks. The latter factor made it possible for the Reserve Bank to undertake net sales of securities, and between end of June 1953 and last Friday of March 1954, total rupee securities held by the Reserve Bank fell by about Rs. 32 crores. This exerted little pressure on prices and fluctuations in the All-India index of Government of India security prices were confined to a narrow range between 90.0 and 90.4 (base 1949-50—100).

35. The gilt-edged market was also able to absorb substantial loan issues without much strain. The cash-cum-conversion issue in June 1953 of the first series of the 3½ per cent. National Plan Bonds, 1961 for Rs. 75 crores was fully subscribed. Between July and October 1953, six Part A States and five Part B States floated 4 per cent. 1963 loans for an aggregate amount of Rs. 31 crores. These loans, which were put on the market directly by the State Governments, were all over-subscribed, the subscriptions amounting to Rs. 40 crores. The continued strength of the gilt-edged market in the busy season facilitated the issue on April 19, 1954 of the 3½ per cent. National Plan Loan, 1964 at Rs. 98.8 per cent. giving a redemption yield of 3.68 per cent. This issue had certain new features. It was a combined loan for the Central and State Governments and was placed on tap without any limit in regard to the amount. The loan was issued earlier than in the previous years with a view to tapping the surplus funds that would be available in the rural areas immediately after the harvest. As part of the National Plan Loan, a new series of Ten-Year National Plan Certificates was introduced in May 1954 to facilitate the small investors. By the end of June 1954, total subscriptions to this loan had exceeded Rs. 105 crores.

36. In the equities market also, the underlying tone during the year was one of firmness. The market recovered from the bearish phase that was in evidence during the previous year and tended to become bullish subsequent to September 1953. The various steps that had been taken to promote private investment activity during the year as well as the buoyancy of equity markets abroad supported this trend. There were some signs of a revival of activity in the new issues market and the sanction accorded by the Controller of Capital Issues during July-December 1953 was Rs. 48 crores as compared with Rs. 18 crores during the corresponding period of the previous year.

37. Price Trends during 1953-54.—As a consequence of all these developments, there was in 1953-54 a greater measure of balance between aggregate supply and aggregate demand than in the previous years, both in the market for goods and in the market for money. This adjustment manifested itself in the general stability of the price level for the greater part of the year. Such fluctuations as occurred in the first nine months of the year were short-lived and were confined to a narrow range. The upturn in prices which was in evidence at the commencement of the year was arrested by mid-August and until about the middle of December 1953 prices were falling. Thereafter, due to the stimulus afforded by the revival in exports and the decontrol of coarse grains and gram from January 1, 1954 prices went up. Owing largely to increase in prices of food and of industrial raw materials, the general index of wholesale prices rose from 387 in mid-December 1953 to 401 in the third week of January 1954. In the subsequent months, prices fell steadily and save for a short-lived spurt to 404 in the middle of April, the downturn continued until the end of the year. By end of June 1954 the general index fell to 378 or 2.2 per cent below the mid-December level and 6.7 per cent. below the level at the end of June 1953.

38. The fall in prices since mid-April 1954 has, however, been particularly marked. Between April 10, 1954 and June 26, 1954 the general price index fell by 6.4 per cent., owing principally to a decline of 13.1 per cent. in the group index of food articles and a fall of 8.7 per cent. in the raw materials price index. The break in food prices was attributable to large increases in the availabilities of both cereals and pulses, consequent upon increased production.

As against these downward movements, the index for the manufactured articles group remained virtually unchanged in the same period. The general lowering of the price level is a factor likely to be favourable for intensification of the development effort in the coming years.

Banking Legislation and Policy

39. In regard to bank, the action taken by the Reserve Bank was in two main directions: firstly establishment of effective control over the banking system so as to ensure sound banking practices, and secondly, provision of facilities for a wider and more flexible functioning of the credit system. These objectives in the banking sphere were in consonance with the basic aims of economic policy during the years under review—namely, reduction of inflationary pressures in the economy and acceleration of development.

40. **Reserve Bank's Statutory Powers of Control.**—The first of these objectives was sought to be achieved through the exercise of statutory powers vested in the Reserve Bank and issue of general or specific directives to banking institutions whenever necessary. Prior to 1949 inspection of banks by the Reserve Bank was limited to determining their eligibility for inclusion or retention in the second schedule to the Reserve Bank of India Act and to safeguarding the interests of the depositors. With the enactment of the Banking Companies Act and the amendment of Section 42 (6) of the Reserve Bank of India Act in 1949, the powers of the Reserve Bank relating to inspection of both the scheduled and non-scheduled banks were considerably enlarged; the Bank was thereafter empowered to conduct inspections for a variety of purposes and on its own initiative. Further, the Banking Companies Act made it necessary for banks to obtain a licence from the Reserve Bank to commence or carry on banking business and to open new branches in the country. A minimum ratio in regard to the percentage of cash, gold or unencumbered approved securities to the total of time and demand liabilities in India was stipulated. The Act also required schemes of arrangement and amalgamation to be examined and sanctioned by the Reserve Bank and provided for expeditious conduct of liquidation proceedings of banks.

41. As new problems arose in succeeding years, the legislative and executive provisions governing the conduct of banking business were amended and whenever circumstances demanded, suitable exemptions from these provisions were given. Thus the Banking Companies (Amendment) Act of 1950 conferred powers on the Reserve Bank to control the opening of branches of Indian banks outside India and extended the Act to the whole of India except the State of Jammu and Kashmir. Provisions relating to liquidation proceedings were also incorporated by the amendment Act of 1950. With the enactment of the Part 'B' States (Laws) Act in 1951, banking companies incorporated in and restricting their activities to Part 'B' States came within the purview of the Banking Companies Act. In the following year, the Banking Companies Rules were made applicable to these areas through a special notification. The Banking Companies Act was again amended in December 1953 to give effect to the recommendations of the Banks' Liquidation Proceedings Committee appointed in 1952 by the Government of India on the recommendation of the Reserve Bank. The amending Act of 1953 has, amongst other things, extended the jurisdiction of the High Court, prescribed a summary procedure for the realisation of outstanding debts and for expediting execution of orders and decrees passed against the debtors of banking companies, and provided for expeditious enforcement of the liability of directors and compulsory public examination of their conduct in relation to the affairs of the banking company.

42. **Exemptions Granted to Banks.**—Exemptions from various legislative provisions were granted from time to time to enable the banking companies to function smoothly. In order to grant relief to the displaced scheduled banks from the provisions of Section 42 (1) of the Reserve Bank of India Act, 1934, in respect of liabilities relating to the "closed fund", Regulation 11 of the Scheduled Banks' Regulations was amended with effect from May 31, 1950 so as to grant power to the Reserve Bank to waive penal interest. The Reserve Bank of India (Amendment) Act, 1951 further empowered the Bank to exempt any scheduled bank from the provisions of Section 42 of the Act with reference to all or any of its offices or with reference to the whole or any part of its assets and liabilities. Concurrently with this amendment, the Scheduled Banks' Regulations were revised. At the same time remittance facilities available to banks were liberalised. The form of the weekly return to be submitted by banks to the Reserve Bank was modified with a view to including in its scope balances with other banks in current account, money at call and short notice, investments in Government securities, etc. With the passing of the Reserve Bank of India

(Amendment and Miscellaneous Provisions) Act in 1953, the temporary exemption given earlier to scheduled banks from including their borrowings from the Imperial Bank of India in computing their demand and time liabilities was placed on a permanent footing. A new Section 43A was inserted to provide that no suit or other legal proceedings shall lie against the Reserve Bank or its officers for anything which is in good faith done or intended to be done in pursuance of Section 42 or Section 43 of the Act. The scope of the form of weekly return to be submitted by banks was further extended so as to include foreign bills purchased and discounted.

43. Subsequent to the change in the monetary policy of the Reserve Bank in 1951 and the fall in prices of Government securities, banks were exempted from showing in their balance sheets the market value of securities as on the last day of the accounting period, provided they showed separately the average market value of their investments in Government securities during the six months immediately preceding the last working day of the year 1951; these average values were to be computed in accordance with the average market value over the six-month period as determined in respect of each Government security by the Reserve Bank. As the market prices of Government securities did not change appreciably in the succeeding years, the exemption was extended with slight modifications for the year 1952 and thereafter upto January 1, 1955. Further banks were exempted from the provisions of Section 17 of the Banking Companies Act to enable them to write off the losses on their investments in Government securities, by drawing upon their reserve funds maintained in accordance with that section before declaring dividends for the years 1951, 1952 and 1953.

44. Section 24 of the Banking Companies Act came into force from March 16, 1951 and it was observed that certain provisions of that section were too onerous for banking companies in general. The Central Government, on the recommendation of the Reserve Bank, granted relief to all the banking companies by allowing them to exclude the amount of their borrowings from the Imperial Bank of India in computing the amount of their liabilities for the purposes of the said section and to treat as unencumbered the approved securities lodged with another banking company for an advance or other credit arrangement to the extent to which they have not been drawn against or availed of. This exemption has been extended from time to time and now stands extended upto June 8, 1955.

45. Banking companies incorporated in and confining their activities to the State of Travancore-Cochin were, in the first instance, permitted upto March 31, 1954 to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the market price, an amount not less than 10 per cent. of the total of their demand and time liabilities in India instead of 20 per cent. as required under Section 24 of the Banking Companies Act. The exemption has been further extended upto March 31, 1955 with the change that these banks are now required to maintain 15 per cent. of their total demand and time liabilities in eligible assets.

46. **Inspection of Banks.**—In pursuance of the responsibilities devolving upon it under the Banking Companies Act, 1949, the Reserve Bank decided in July 1949 to institute systematic periodical inspection of all banking companies governed by the Act. Regular inspections were commenced in March 1950 and the first round of inspection of all scheduled banks was completed in 1953. In respect of non-scheduled banks also, the first round is nearing completion as only about 60 banks mostly incorporated in the Travancore-Cochin State remain to be examined. Simultaneously, re-inspections of banks were also undertaken whenever the progress reports submitted by them after the first inspection indicated the need for such a re-examination. Between March 1950 and end of June 1954, in all 520 banks were inspected; of these, 113 banks (27 scheduled and 86 non-scheduled) were inspected more than once. During 1953-54, 19 scheduled and 166 non-scheduled banks were inspected. Of these, 94 banks were inspected under Section 22 of the Banking Companies Act, 1949, for ascertaining their eligibility for the grant of a licence to carry on banking business. The inspection of the remaining banks was conducted under Section 35 of the Act in order to assess their overall financial position and methods of operation as also to ascertain their eligibility for grant of a licence. Two of these banks were inspected in connection with their applications for the grant of moratorium. One of these two banks was inspected with the permission of the High Court to consider the feasibility or otherwise of the Scheme of Arrangement proposed by it. The inspection of 5 State-owned or State-controlled banks, which do not come under the purview of the Banking Companies Act, was also carried out with their consent, with a view to examining

their financial position and methods of operation. There were altogether 82 re-inspections, 8 under Section 22 and 74 under Section 35 of the Banking Companies Act.

47. The periodical inspections undertaken by the Reserve Bank have revealed several defects and weaknesses in the banking system and appropriate steps are being taken by the Reserve Bank with a view to eradicating them. The defects revealed by the inspections are brought to the notice of the banks concerned and advice is tendered on ways and means of remedying them. Monthly or quarterly progress reports have been called for from 343 banks and are carefully scrutinised.

In cases where the findings warranted a stricter control over the affairs of the banks concerned, suitable conditions have been imposed. Where the management of a bank needed constant guidance, the appointment of a banking adviser has been insisted upon. In addition, in certain cases, officers were deputed by the Reserve Bank for attending the Board or Committee meetings of the banks concerned as observers and for carrying out periodical scrutiny of their affairs.

48. **Licensing of Banks.**—As mentioned earlier, the Banking Companies Act made it necessary for companies to obtain a licence from the Reserve Bank to commence or carry on banking business in India. In view of the large number

of banks operating in the country, it was not feasible to postpone the issuing of licences until after all the banks had been inspected, and licensing of banks was therefore taken in hand side by side with their inspection. So far, licences have been granted to 27 scheduled banks and one non-scheduled bank for carrying on banking business in India and to six banks, including four foreign banks, for commencing banking business. Altogether 722 banks, of which 540 were in fact functioning at the end of June 1954 have applied for licences. During the year 1953-54, licences were granted to three banks to commence and to one scheduled bank to carry on banking business. Licences were refused to one scheduled bank and nine non-scheduled banks, and the licence issued to the National Handelsbank N. V. was cancelled as the company's banking business was taken over by the British Bank of the Middle East.

49. **Licensing of Branch Offices.**—Turning to the policy regarding licensing of branch offices, the main consideration has all along been the encouragement of extension of banking facilities to areas where they are not available or are inadequate as, for instance, in the rural and semi-urban areas. The policy, however, is flexible enough to allow for establishment of offices in places which have considerable banking facilities if it is found that the opening of new offices would impart a healthy tone to banking business in the area. Such exceptions are made not only in the case of the Imperial Bank of India which, in view of the recommendations of the Rural Banking Enquiry Committee, has special responsibilities in regard to banking development, but also in the case of other bigger scheduled banks. Further, applications from sound banks for opening their first offices in cities like Bombay and Calcutta are now considered by the Reserve Bank favourably, provided the opening of such a branch is deemed essential for the efficient conduct of the business of the Bank. Applications in respect of 758 offices were received since 1949 in terms of Section 23 of the Banking Companies Act. The nature of the applications and their disposal are shown in the table given below:—

Year	Nature of applications and their disposal					Total number of offices applied for			
	For opening new offices	For opening temporary offices	For changing the location of existing offices	Total					
1949	81	48	7	—	37	—	125	48	173
1950	82	27	6	—	3	2	91	29	120
1951	143	17	4	—	2	1	149	18	167
1952	85	21	5	—	6	5	96	26	122
1953	126	32	13	—	3	2	142	34	176
	517	145	35	—	51	10	603	155	768

Since the passing of the Banking Companies (Amendment) Act, 1950, applications have been received for opening 33 offices outside India; of these permission was granted in respect of 28 offices, while four were rejected and one is still under consideration.

50. Amalgamation of Banks.—Through the exercise of the powers of inspection and licensing vested with it by statute, the Reserve Bank has been able to assist the banking system in the country to function, by and large, on sound lines. However, the standards of efficiency and stability amongst a large number of small banking units are relatively low and there is scope for consolidating their position through proper arrangements and amalgamations. While under the Banking Companies Act, schemes of amalgamation cannot be put through without the sanction of the Reserve Bank, the Bank has no power to compel banking companies to amalgamate. It can only tender advice and consider any proposals that are placed before it. With a view to assisting banks to put through such schemes if a substantial majority of shareholders are in favour of the scheme, and the amalgamation is to the benefit of the companies concerned, the Reserve Bank of India sponsored an amendment to the Banking Companies Act in 1950, which minimised the legal formalities involved in the process and eliminated the possibility of a few dissenting shareholders holding up the scheme. Subsequent to this simplification of procedure, four scheduled banks in West Bengal were assisted by the Reserve Bank in 1950 to amalgamate and form the United Bank of India Limited. Proposals for other amalgamations were examined by the Reserve Bank. In later years one of these was sanctioned after the Bank had satisfied itself that the scheme would result in the creation of a strong unit and that it was not detrimental to the interests of depositors. Apart from amalgamations the Reserve Bank has tendered advice in various cases involving the transfer of assets and liabilities of banking companies. In cases where proposed amalgamations were not considered desirable for one reason or another, banks were advised to arrive at a mutually agreed arrangement for the transfer of liabilities and assets. The transfer of the liabilities and certain assets of the Bharat Bank Limited to the Punjab National Bank Limited, of the Mercantile Bank of Hyderabad Limited, to the Hyderabad State Bank and of the Maharashtra Apex Bank Limited and the Southern India Apex Bank Limited to the Canara Industrial and Banking Syndicate Limited are instances in point. Although not strictly within the purview of the Banking Companies Act, another proposal for the transfer of certain assets and liabilities of four State Banks in Rajasthan to the Bank of Rajasthan Limited was also considered by the Reserve Bank and the Government of India were advised that the Reserve Bank had no objection to the State Government giving effect to the proposed transfer. These measures of consolidation supported by the Reserve Bank have contributed to an avoidance of possible bank failures.

51. Action regarding Lending Policy of Banks.—Besides the activities described above, the Reserve Bank took various measures to ensure that the pattern of bank credit conformed to the general economic policy and to the needs of the situation in the country. Mention has already been made of the directive issued after devaluation in September 1949 requiring all scheduled banks to furnish daily returns of credit limits for Rs. 1 lakh and over sanctioned by them. These returns were scrutinised closely with a view to finding out the purpose for which such credit was sanctioned, the nature of the business of the borrower, security offered, margins, rates of interest, etc. In March 1950, all scheduled banks were requested to furnish the Reserve Bank with a statement showing their advances against bullion and commodities which were the object of speculative interest. These returns enabled the Bank to judge the extent to which bank finance was being utilised for speculative building up of stocks and to take appropriate measures to remedy the position. Scheduled banks operating in the Calcutta area were, for instance, requested in 1950 to recall within a specified time all their advances for the purchase of raw jute made to parties other than mills and balers, and to refrain from granting any fresh advances till the supply position of raw jute improved. This facilitated the flow of raw jute to the mills and as the supply position improved in 1951, the restrictions on jute advances were withdrawn. Similarly, banks were advised in April 1951 to go slow in the matter of advances against bullion and ensure that such advances would not be used for speculative purposes.

52. Subsequent to the adoption of the new monetary policy in November 1951 and the consequent curb on credit expansion, measures had to be taken to facilitate extension of bank advances to certain special purposes. Thus, in the early part of 1952, difficulties were experienced in financing cotton imports, large consignments of which had arrived from the U.S.A. and East Africa. To meet this situation, the Government of India guaranteed to buy cotton held by banks against advances given by them at specified prices and the Reserve Bank followed this up with an assurance that it would grant reasonable facilities for the financing by banks of the purchase of Indian and imported cotton. This guarantee was withdrawn, towards the end of 1953, when the position had improved. Similarly, in August 1952, the heavy carry-over of stocks from the 1951-52 season and the fall in sugar prices increased the demand for liquid funds from

the sugar mills, particularly in Uttar Pradesh and Bihar. The Reserve Bank, therefore, suggested to commercial banks at the instance of the Government of India that they should consider the question of providing some relief to sugar mills by reducing the margin on such stocks from 25 per cent to 15 per cent. In view of the financial difficulties experienced by tea gardens during the 1952-53 season, a limited guarantee scheme for provision of bank finance for the 1953-54 season was worked out by Government in consultation with the Reserve Bank. In terms of this scheme, the Government undertook to meet to a specified extent the deficits, if any, of scheduled banks and apex co-operative banks which agreed to continue to provide normal advances to their tea garden constituents in the 1953-54 season. The guarantee was limited to 20 per cent. of the repayments made by the gardens in their hypothecation accounts with banks for the 1952-53 season in the case of gardens situated in Cachar, Darjeeling, Dooars, Terai and Tripura and 15 per cent of the repayments in the case of gardens situated in other areas. However, tea prices improved in the 1953-54 season and there was, in consequence, little need for banks to obtain accommodation under this scheme. In March 1953, an officer of the Reserve Bank was deputed to Travancore-Cochin to study the problem arising out of an abnormal accumulation of stocks of rubber. Since the additional finance required to carry the surplus stocks was not large, it was felt that no special assistance from the Reserve Bank was required and that the additional demands could be met by any of the larger Indian banks which were financing the industry. Finally, subsequent to the decontrol of coarse foodgrains and gram in January 1954, the Reserve Bank requested at the instance of the Government 20 selected banks to submit weekly returns of advances against foodgrains with a view to keeping a watch on the extent of credit provided by the more important banks against these commodities.

53. Extension of the Bill Market Scheme.—Reference has already been made to the change in the open market policy of the Reserve Bank in November 1951 and the introduction of the Bill Market Scheme in January 1952 to facilitate banks to meet the seasonal demand for funds. As observed earlier, the Bill Market Scheme has proved a notable success and has now become a permanent feature of the credit system of the country. The scheme, which was originally confined to banks having deposits of Rs. 10 crores or more, was extended, in June 1953, to banks having deposits (including deposits outside India) of Rs. 5 crores or over and in possession of a licence granted by the Reserve Bank in terms of Section 22 of the Banking Companies Act. Advances under this Scheme were granted at ½ per cent. below the Bank Rate. Gross borrowings against usance bills under this Scheme, which amounted to Rs. 74 crores between January-June 1952 and to Rs. 60 crores in the half-year January-June 1953, increased sharply to Rs. 122 crores in the period January-June 1954. The scope of the Bill Market Scheme has recently been further extended in the light of the recommendations of the Committee on Finance for the Private Sector. The Committee recommended that facilities under the Bill Market Scheme should be made available to all scheduled banks with deposits of Rs. 1 crore or over and that the individual minimum amount for bills should be reduced from Rs. 1 lakh to Rs. 50,000 and for individual advances from Rs. 25 lakhs to Rs. 10 lakhs. It has been decided by the Bank to extend the Scheme to all scheduled banks in possession of a licence, irrespective of the size of their deposits; and, as recommended by the above Committee the minimum amount of each individual bill has been fixed at Rs. 50,000 and the minimum limit of advances under the Scheme has been reduced to Rs. 10 lakhs.

Extension of Banking Facilities

54. The several measures described in the previous section were undertaken chiefly with the objective of making the existing banking institutions in the country function with adequate flexibility and on sound lines. Besides these, the Reserve Bank has in the past years initiated and supported a number of measures calculated to augment the banking and credit facilities available to the different sectors of the economy. In view of the predominantly agricultural nature of the economy and the relative paucity of agencies for provision of rural finance, the bias in this side of the Reserve Bank's activities has been on development of commercial and co-operative banking in the rural and semi-urban areas. At the same time, efforts have been made to increase the availability of finance to the industrial and urban sectors and to build up an integrated credit mechanism that would suit the requirements of a developing economy.

55. The Problem of Banking Development.—The approach to the problem of banking development in the relatively under-banked areas has been along the lines recommended by the Rural Banking Enquiry Committee (1950) and the Informal Conference on Rural Finance (1951) convened by the Reserve Bank. The main

recommendations of these two bodies were concerned with arrangements for widening the fields of operation of the Reserve Bank and of the Imperial Bank, and for provision of better facilities, including cheaper remittance, to both commercial and co-operative banks operating in the villages and towns. Many of these recommendations have since been implemented by the Reserve Bank and the progress achieved in the last few years is reviewed briefly in the succeeding paragraphs.

56. Reserve Bank and Part 'B' States.—In pursuance of the recommendation of the Rural Banking Enquiry Committee that banking and treasury arrangements in Part 'B' States should be integrated with those obtaining in Part 'A' States, the Reserve Bank of India Act was amended in 1951 so as to authorise the Bank to act, by agreement with the Governments of Part 'B' States, as their banker. So far, five out of the seven Part 'B' State Governments, *viz.*, Madhya Bharat, Travancore-Cochin, Mysore, Hyderabad and Saurashtra have executed agreements appointing the Reserve Bank as their sole banker. As regards Rajasthan and PEPSU, steps for the appointment of the Reserve Bank as their banker will be taken as soon as certain outstanding issues are resolved. To enable the Reserve Bank to discharge its functions as banker to the Government, the Bank has established 43 currency chests at selected centres in Part 'B' States and it is proposed to establish more such chests as and when the need for them arises. The Reserve Bank has also appointed the Hyderabad State Bank and the Bank of Mysore as its agents in the respective territories of Hyderabad and Mysore, subject to certain safeguards considered necessary for the safety of Government monies, balances in the currency chests, etc. Agreements executed in this connection follow broadly the pattern of the agreement between the Reserve Bank and the Imperial Bank appointing the latter as the agent of the Reserve Bank in Part 'A' and Part 'C' States. It is also proposed to consider the appointment of the Travancore Bank Limited, and the State Bank of Saurashtra as the Bank's agents in the respective areas in due course. In accordance with the recommendation of the Rural Banking Enquiry Committee that branches of the Reserve Bank should be established at the headquarters of each major State, an office of the Reserve Bank was opened in Bangalore on July 1, 1953. Amongst other functions, this office conducts the Central and State Governments' cash work and provides remittance and exchange facilities to the banks and the public.

57. Opening of Branches by the Imperial Bank.—A major recommendation of the Rural Banking Enquiry Committee was that the number of branches of the Imperial Bank of India should be increased and that these branches should progressively take over the cash work of the treasuries and run currency chests. For implementing this recommendation an understanding was reached between the Reserve Bank and the Imperial Bank of India whereby the latter was to embark initially on a short-term expansion programme covering a period of two years from July 1, 1951. During this period the Imperial Bank agreed to open 30 branches and convert some of its treasury pay offices into branches. The Imperial Bank actually opened 26 branches and converted 8 treasury pay offices into branches. This has now been followed by a 3-year programme commencing from July 1, 1953 during which period the Imperial Bank has, in consultation with the Reserve Bank, agreed to open 80 branches, including conversion of 5 treasury pay offices into branches. In view of the fact that most of the places where its branches were to be established were relatively underdeveloped, the Reserve Bank has agreed to pay the Imperial Bank turn-over commission on Government business conducted at these branches at an enhanced rate of 1/16th of one per cent.

58. Improvements in Remittance Facilities.—Besides the special arrangement for the opening of the branches of the Imperial Bank of India, the Reserve Bank has adopted several measures to enable commercial banks to establish branches in outlying areas and co-operative banks to increase the size of their operation. Reference has been made in an earlier paragraph to the Reserve Bank's policy of licensing branches of banking companies. In addition to granting licences for branches readily wherever banking facilities were absent or inadequate, the Reserve Bank has sought to promote banking development through liberalisation of remittance facilities. The Rural Banking Enquiry Committee had recommended that a lowering of rates on remittances would reduce the cost of operation of branches and would encourage their establishment. The Committee also was of the opinion that such a measure would contribute to a quicker adjustment between the supply of and demand for funds in the metropolitan as well as mofussil centres. Accordingly, the rates of exchange on remittances issued on behalf of commercial banks, co-operative banks and societies and indigenous bankers from the offices of the Reserve Bank and its agencies (including treasury agencies) were reduced with effect from September 1, 1951. The rate on remittances upto Rs. 5,000 was brought down from 1/16 per cent. to 1/32 per cent. and that on remittances exceeding Rs. 5,000

was reduced from 1/32 per cent. to 1/64 per cent. It may be added that the Committee on Finance for the Private Sector has recommended further liberalisation of remittance facilities. The matter is under consideration.

59. Besides the improvements in remittance facilities referred to above, efforts have been made to increase the efficiency of treasuries and sub-treasuries issuing remittances. The Bank had earlier recommended that treasury and sub-treasury officers should be freed from magisterial or other non-treasury work, that the treasury (or accounts) cadre should be separated from the general cadre for purposes of recruitment and promotion and that systematic arrangement should be made for the training of senior and selected treasury staff at the offices of the Reserve Bank and the Accountant-General. These suggestions were endorsed by the Rural Banking Enquiry Committee and the matter was taken up by the Reserve Bank with the State Governments through the Government of India. As a result of these negotiations, one State Government has taken action on the lines indicated above and a few others have implemented the recommendations in part. The financial and administrative implications of the treasury reforms scheme are being examined by the other State Governments. To enable the State Governments to meet a portion of the cost of carrying out these reforms, the Reserve Bank has accepted the recommendation of the Rural Banking Enquiry Committee that the State Governments should be allowed to retain the commission earned on remittances issued at a premium in treasuries and sub-treasuries and has given effect to it from September 1, 1951. In order that the cheaper rates of remittance might be of real benefit to banking institutions and the public in the outlying areas, the Government of India have, at the instance of the Reserve Bank, requested State Governments to raise the limits of drawings at or on treasuries and sub-treasuries from the normal levels of Rs. 25,000 and Rs. 5,000 per day to at least Rs. 50,000 and Rs. 10,000 per day. Some of the State Governments have acceded to the request, while others are examining the proposal.

60. **Reserve Bank and the Co-operative Banks.**—A series of measures have been taken to enable co-operative banks to provide finance to agricultural and allied operations in larger amounts and more effectively. Financial accommodation to the co-operative movement is granted by the Reserve Bank through apex co-operative banks at a concessional rate of 1½ per cent. for financing seasonal agricultural operations and the marketing of crops. Until recently this facility was, however, not used extensively by the co-operative banks for various reasons. Consequent upon the recommendations of the Informal Conference on Rural Finance, various procedural reforms were effected with a view to increasing the utilisation of financial facilities provided by the Reserve Bank to the co-operative banks. Instead of the stipulation that all loans and advances should be repaid by the end of the period for which limits are fixed, it has been agreed that each drawal on the limit will be treated as a distinct transaction and will be allowed to run its full period. The credit limit, under the new procedure, thus means the limit of the maximum outstandings of the apex or the central bank at any time and not the aggregate borrowings made during the year as was the case previously. These modifications in procedure have not only increased the borrowings by co-operative banks but have also enabled them to frame their borrowing and lending programmes in conformity with local needs and conditions. These improvements together with the remittance and other facilities available to co-operative banks along with commercial banks have resulted in a considerable increase in the extent of loans granted by the Reserve Bank to the co-operative movement. The credit limits sanctioned to co-operative banks for financing seasonal agricultural operations and the marketing of crops increased from a little less than Rs. 7 lakhs during 1946-47 to Rs. 214 lakhs in 1949-50, Rs. 762 lakhs in 1950-51, Rs. 1,240 lakhs in 1951-52 and Rs. 1,242 lakhs in 1952-53. During 1953-54, total credit limits fixed stood at Rs. 1,632 lakhs. The large increase in the accommodation granted to co-operative banks in the last three years is also attributable in part to the inclusion of Part 'B' and Part 'C' States within the orbit of the scheme and the closer liaison established between the Bank and the movement through the study tours of all the States in the Indian Union undertaken by the officers of the Bank in the period 1951-53. With the amendments to the Reserve Bank of India Act in 1951 and 1953, the functions of the Reserve Bank in the sphere of rural credit have been further enlarged. The amending Acts extend the scope of the expressions "seasonal agricultural operations and the marketing of crops" to include mixed farming activities and the processing of crops by agriculturists or their organizations. The period of short-term accommodation has been extended to fifteen months and the Bank is empowered to grant medium-term loans upto a maximum period of five years. Further, commercial papers of co-operative banks have been made eligible for rediscount at the Reserve Bank and the financing of the production and marketing activities of approved cottage and small-scale industries has been permitted.

Necessary steps to give effect to the amendments of 1951 have already been taken, while the question of implementing the amendments of 1953 is under consideration.

61. Inspection of Co-operative Banks.—As a complement to the provision of more liberal financial assistance from the Reserve Bank, a system of inspections of co-operative banks by the Reserve Bank on a voluntary basis has been evolved. Two central co-operative banks were inspected in 1952-53; during 1953-54 fourteen more co-operative banks including four apex institutions were inspected.

62. A Standing Advisory Committee has been associated with the Agricultural Credit Department of the Bank for tendering advice on matters pertaining to agricultural credits and allied subjects. The Committee which had its first meeting in August 1951 has so far met three times and has endeavoured to evolve proper standards for co-operative banking and administration. As will be described later, the Reserve Bank has also initiated and supported schemes for co-operative education and training. Following the recommendation of the Informal Conference that survey of rural credit should be conducted on an all-India basis, the Bank appointed a Committee of Direction in August 1951 "to plan, organize and supervise the survey, to interpret its results and to make suitable recommendations". The report of this Committee is expected to be submitted to the Bank in a few weeks.

63. Provision of Long-term Agricultural Finance by the Reserve Bank.—Apart from the operations in the field of short-term credit for agricultural purposes, the Reserve Bank undertook in 1948 to contribute upto 10 per cent. of the debentures floated by Land Mortgage Banks provided they were guaranteed by the Government in respect of principal and interest. Reserve Bank's contribution to such debentures was raised to 20 per cent. in 1950. The scheme was taken a step further in 1953. The Central Government have now set apart Rs. 1 crore out of the allotment of Rs. 5 crores for long-term agricultural credit under the Five-Year Plan for the purchase of debentures issued by Land Mortgage Banks. In this connection, the Reserve Bank of India, in consultation with the Government of India, have agreed upon a scheme of joint contribution to the debentures of Land Mortgage Banks upto 40 per cent. of the issue or the short-fall in public subscription whichever was less, one half of the subscription being on behalf of the Government and the other half on account of the Reserve Bank. The Central Land Mortgage Banks using this facility have, however, to agree to dispense loans for productive purposes upto an amount not less than half of the joint subscription by the Government and the Reserve Bank within one year. So far only the Andhra Land Mortgage Bank has been accommodated under this scheme to the extent of Rs. 17 lakhs. Details of subscriptions to debentures of Land Mortgage Banks by the Reserve Bank during the last five years are given below:—

Year	Amount of subscription (Rupees in Lakhs)	
1949-50	...	4.15
1950-51	...	20.00
1951-52	...	13.00
1952-53	...	16.89
1953-54	...	15.56*

64. Reorganization of Postal Savings Banks.—An important recommendation of the Rural Banking Enquiry Committee related to the improvement and expansion of the Postal Savings Banks system. A detailed investigation into the working of the system was conducted in August 1950 by a senior officer of the Reserve Bank and one of the directors of postal services. Some of the procedural improvements suggested in their report have already been implemented by the Government of India. In July 1953, the Government of India set up an Advisory Committee to assist in the implementation of the recommendations of the report relating to the introduction of the cheque system and for organizing the Postal Savings Banks on proper banking lines. The first report of this Advisory Committee has since been submitted to the Government of India.

65. Increasing Participation in Industrial Finance by the Reserve Bank.—In the field of industrial finance, the participation by the Reserve Bank has been gradually increasing. Earlier, the Bank had played an active role in the establishment of the Industrial Finance Corporation of India and contributed to the share

*Excludes debentures of the face value of Rs. 8.5 lakhs taken by the Government of India on behalf of the Government of Andhra.

capital and bonds of that institution. With the amendment of the Industrial Finance Corporation Act in 1952, the Corporation was authorised to borrow funds from the Reserve Bank against specified types of securities. The amending Act also provides for the creation of a Special Reserve Fund to which dividends on the shares held by the Central Government and the Reserve Bank would be credited until the amount in the Fund exceeded Rs. 50 lakhs. In 1951, to enable State Governments to establish financial corporations for dispensing medium and long-term finance to medium-sized and small-scale industries in the States, the State Financial Corporations Act was passed by Parliament. So far, State Financial Corporations have been set up in Punjab, Saurashtra, Travancore-Cochin, Bombay, Hyderabad, West Bengal and Assam, while other States are contemplating the establishment of similar bodies. The Reserve Bank has contributed Rs. 95 lakhs* towards the share capital of the State Financial Corporations and has tendered advice both on matters of policy and of personnel.

66. Report of the Committee on Finance for the Private Sector.—An event of significance in 1953-54 was the appointment by the Reserve Bank in October 1953, in consultation with the Government of India, of a Committee under the Chairmanship of Shri A. D. Shroff to examine how increased finance could be made available to the private sector through sources other than those which are under the consideration of the Taxation Enquiry Commission. The Committee was in particular asked to examine the possibility of providing bank finance for development purposes on a larger scale. This Committee on Finance for the Private Sector submitted its report to the Reserve Bank in May 1954, recommending a series of measures for implementation by Government, the Reserve Bank of India, financial institutions, industrialists, etc. The Committee recommended, amongst other things, that: (1) facilities under the Bill Market Scheme should be liberalised, (2) the remittance facilities scheme formulated by the Reserve Bank should be further extended, (3) the Reserve Bank should, in consultation with the Government of India, work out a detailed scheme of financial assistance to licensed scheduled banks opening branches in accordance with an expansion programme submitted by the banks and approved by the Reserve Bank, (4) the question of linking indigenous bankers and shroffs directly with the Reserve Bank should be actively pursued, (5) pending such direct linking of indigenous bankers, steps should be taken to encourage the rediscounting by the Reserve Bank of the usance bills of indigenous bankers through scheduled banks, (6) the Reserve Bank should consider whether any of the directives or criteria laid down by it could be suitably relaxed in the case of smaller banks without prejudice to sound banking principles, (7) the Reserve Bank should treat shares and bonds of the Industrial Finance Corporation of India and State Financial Corporations as on a par with Government securities for advances under Section 17(4)(a) of the Reserve Bank of India Act, (8) the Bank should explore ways and means of increasing the resources of banks for the provision of medium-term finance on the analogy of the Bill Market Scheme and (9) the Reserve Bank should take the initiative in setting up a Special Development Corporation for financing small-scale Industries. Besides these recommendations intended for implementation primarily by the Reserve Bank, the Committee has also suggested a number of steps to be taken by the Government, organised business institutions, commercial banks, etc. In view of the steep rise in the operating costs of banks, as a result of the various tribunal awards, the Committee has recommended that Government should immediately appoint an Expert Body to examine ways and means of rationalising the wage and salary structure in the banking sector and to explore possible avenues of reducing the burden of operating costs of banks. The Committee has finally put forward a series of suggestions for improving the climate for private investment in the country.

67. Action taken by the Reserve Bank on the Report.—In pursuance of the recommendations of the Shroff Committee, the Reserve Bank has taken a number of steps to assist the private sector. As already mentioned, the Bill Market Scheme has been extended to all licensed scheduled banks and the minimum limits in regard to individual advances and individual bills have been reduced. The Bank has formed a Committee consisting of the Managing Directors of the Imperial Bank of India and the Central Bank of India Ltd., the General Manager of the Bank of India Ltd., the Manager of the Oriental Government Security Life Assurance Company Ltd., the General Manager of the New India Assurance Company Ltd., and the Chairman of the Indian Banks' Association to examine in detail and make specific recommendations on the Shroff Committee's proposal that the leading banks in India, in co-operation with insurance companies, should form

*Exclusive of the Bank's contribution to the issued share capital of the Assam Financial Corporation which is yet to be made.

a consortium or syndicate for underwriting or investing in new issues of shares and debentures of industrial companies. The feasibility of the other recommendations of the Shroff Committee to the Reserve Bank of India is under consideration; decisions on a few have been deferred until after the report on the Rural Credit Survey becomes available. In respect of the Shroff Committee's recommendation intended for implementation by agencies other than the Reserve Bank, the Bank has drawn the attention of the agencies concerned to the specific recommendations.

68. Training of Personnel of Co-operative and Commercial Banks.—Apart from the measures detailed above, which relate mainly to enabling the banking system to operate more effectively through provision of Reserve Bank accommodation and advice, the Bank has participated effectively in setting up institutions for the training of personnel required by the co-operative and commercial banks in the country. The Bank organized in 1952 an all-India training centre for co-operative personnel at Poona in conjunction with the Poona Co-operative Training College run by the Bombay Provincial Co-operative Institute. This centre is subsidised by the Reserve Bank and provides training for both officials and non-officials interested in the co-operative movement. The question of widening the scheme by organizing a few regional training centres was discussed with the Government of India and the Planning Commission in 1953 and it was agreed that the Reserve Bank should be responsible for making the necessary arrangements for the training of intermediate and higher personnel of co-operative institutions. A Committee for formulating and implementing a composite scheme for the training of co-operative workers was constituted jointly by the Central Government and the Reserve Bank of India, with Shri V. L. Mehta as the Chairman and the Chief Officer of the Agricultural Credit Department of the Bank as the Member-Secretary. This Committee held its first meeting in December 1953 and decided, amongst other matters, that the training of the higher staff should, for the time being, be continued at Poona and that arrangements at that centre should be made to impart training to about 40 candidates in each session as against 20 so far. As regards the training of intermediate personnel, the Committee has recommended that eventually there should be five regional centres to cover the Northern, Southern, Eastern, Western and Central Zones. A Standing Sub-Committee consisting of four members has been appointed to implement these decisions. The facilities at Poona have been expanded so as to train 40 to 45 candidates from the next session of the Intermediate Co-operative Training Course. A regional training centre was started in Madras in July 1954 and steps have been taken to organize another such centre at Pusa.

69. Reference was made in the Annual Report submitted last year to the proposal to start a training college for the staff of commercial banks in the country. The Reserve Bank set up in July 1953 a Committee consisting of representatives of banks and other experts to frame a concrete scheme of training and to make suggestions in respect of the preliminary measures to be taken in such matters as the framing of the syllabus, securing the teaching staff, etc. The Report of this Committee was submitted in January 1954 and most of the arrangements for setting up a college as recommended by the Committee have been completed. The training college will be located in Bombay. The training would be primarily practical in character and the syllabus will be such that it will not overlap the one prescribed for the Institute of Bankers' Examinations. In addition to the practical training, other experts are to be invited to deliver lectures to the trainees on subjects of interest to bankers. In order to ensure that the proposed training college is established and conducted on right lines, the services of two experts from the United Kingdom have been secured for a period of two years, under the Colombo Plan. These experts are at present engaged in the finalisation of the syllabus, collection of material for the lecture courses suitable to Indian conditions, etc. The entire administrative expenses of the College, which is expected to start training the first batch shortly, will be borne by the Reserve Bank.

Accounts and Other Matters

70. Annual Accounts.—During the year under review, the Bank's income amounted to Rs. 21.94 crores, and expenditure, which includes the expenses of administration and provision for sundry liabilities and contingencies, to Rs. 4.43 crores. The net profit available for payment to the Central Government in terms of Section 47 of the Reserve Bank of India Act was higher at Rs. 17.50 crores, as against Rs. 12.50 crores last year and Rs. 7.50 crores in 1951-52.

71. The Bank's income, which had risen by Rs. 5.36 crores during 1952-53, rose further by Rs. 5.47 crores during the year under review. The rise in income resulted mainly from an increase under the head 'Discount', due to larger earnings

on the Bank's holdings of Central Government Treasury bills arising from the higher rate of discount. There were also increases in receipts under 'Interest' and 'Commission'. As against these increases, there was a further decline in receipts under 'Exchange' due to smaller sales of sterling to scheduled banks and fewer transfers to the High Commissioner for India in London, in view of the generally lower level of imports during the year.

72. As compared with the previous year, expenditure rose by Rs. 46.26 lakhs mainly under the heads 'Establishment' and 'Security Printing'. The expenditure under 'Establishment' increased by Rs. 34.56 lakhs due, among other factors, to the opening of the Bank's offices of Bangalore and Trivandrum, grant of local allowance to the staff at Madras and liberalisation of the payment basis for overtime work. The increase of Rs. 11.73 lakhs under 'Security Printing' is due to larger supplies of note forms received from the Nasik Press during the year.

73. **Auditors.**—The Accounts of the Bank have been audited by Messrs. S. B. Billimoria and Co. of Bombay, Messrs. P. K. Ghosh and Co. of Calcutta, and Messrs. Sastri and Shah of Madras, who were appointed by the Government of India as auditors of the Bank by Notification No. F. 3(28)-F-I/53, dated September 4, 1953 issued in exercise of the powers conferred by Section 50 of the Reserve Bank of India Act.

74. **Compensation to Shareholders.**—At the end of June 1954, the total number of shares of the Bank tendered for payment of compensation, consequent on the nationalisation of the Bank effective from January 1, 1949, was 4,84,805, of which 2,194 were tendered during the year under review. The total compensation paid upto the end of 1953-54 in the form of the 3 per cent First Development Loan, 1970-75 amounted to Rs. 5.38 crores and the amount paid in the form of cash to Rs. 35 lakhs.

75. **Composition of the Central Board.**—Shri B. Rama Rau whose term of appointment as Governor of the Bank was due to expire on June 30, 1954, was reappointed by the Union Government on June 14, 1954, as Governor for a period of one year with effect from July 1, 1954.

76. Shri Manilal B. Nanavati and Prof. D. R. Gadgil, whose term of office as Directors of the Central Board expired on January 14, 1954, were renominated by the Union Government in terms of Section 8(1)(c) of the Act, with effect from January 15, 1954.

77. Shri K. G. Ambegaokar, I.C.S., was nominated by the Union Government as a Director of the Central Board under Section 8(1)(d) of the Act in place of Shri S. G. Barve, I.C.S., with effect from July 7, 1953. Shri Ambegaokar continued as Director upto May 21, 1954, on which date Shri Barve was again nominated as Director in his place.

78. **Local Boards.**—Shri V. P. Varde resigned his membership of the Western Area Local Board in September 1953 and in his place Shri D. V. Pottdar was nominated by the Central Board on February 24, 1954 in terms of Section 12(3) of the Act.

79. **Meetings of the Central Board and its Committee.**—Six meetings of the Central Board were held during the year, two in Bombay and one each in Calcutta, New Delhi, Madras and Bangalore. The Committee of the Central Board held 51 meetings of which 50 were in Bombay and one in Calcutta.

80. **Bank's Offices.**—A Public Debt Office was opened at Lucknow on March 17, 1954, with a view to facilitating the issue and management of the Compensation and Rehabilitation Grant Bonds, issuable in accordance with the provisions of the Uttar Pradesh Zamindari Abolition and Reforms Act, 1950 (Act I of 1951). Transactions relating to any other Government securities will not be done at this Office.

81. A Note Cancellation Section was also opened at Jaipur on February 1, 1954.

82. **Bank's Premises.**—During the year under review, the Bank completed the construction of housing colonies accommodating 841 families of the Bank's clerical and subordinate staff in Bombay, and have under construction another building to provide residential accommodation for officers. The work of construction of a new building for the Bank's Office in Calcutta is expected to commence shortly.

By Order of the Central Board of Directors,
B. RAMA RAU,
Governor.

RESERVE BANK OF INDIA

BALANCE SHEET AS AT 30TH JUNE 1954

PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 30TH JUNE 1954

ISSUE DEPARTMENT

Liabilities	Assets	Income	Rs. As. Ps.
Notes held in the Banking Dept. 41,08,46,018 0 0	A. Gold Coin and Bullion :-	Interest, Discount, Exchange, Commission, etc.	21,93,92,640 4 7
Notes in circulation 1172,03,49,336 0 0	(a) Held in India . 40,01,70,843 9 5		21,93,92,640 4 7
Total notes issued . . . 1213,11,95,354 0 0	(b) Held outside India	EXPENDITURE	
	Foreign Securities . 653,15,11,573 2 7	Establishment . . .	2,48,76,647 5 5
	Total of A . 693,16,82,416 12 0	Directors & Local Board Members' fees and expenses	60,271 14 0
	B. Rupee Coin . 98,72,85,227 2 4	Auditors fees . . .	22,500 0 0
	Government of India Rupee Securities . 421,22,27,710 1 8	Rent, Taxes, Insurance, Lighting etc.	1,26,954 9 0
	Internal Bills of Exchange and other Commercial Paper	Law charges Postage and Telegraph charges	77,987 2 9 1,88,450 3 2
Total Liabilities Rs. . . 1213,11,95,354 0 0	Total Assets Rs. . . 1213,11,95,354 0 0	Remittance of Treasure . . . Stationery, etc. . . Security Printing— (Cheque, Note Forms, etc.) Depreciation and Repairs to Bank's Property	13,99,728 12 5 5,78,775 14 3 90,58,879 14 2 23,67,557 7 10

Ratio of Total of A to Liabilities : 57.139 per cent

BANKING DEPARTMENT

Liabilities	Assets	Miscellaneous Expenses	Rs. As. Ps.
Capital paid up . . . 5,00,00,000 0 0	Notes	9,99,507 5 9	
Reserve Fund 5,00,00,000 0 0	Rupee Coin	Net available balance . . .	17,50,45,805 4 7
			21,93,92,640 4 7

Deposits :-		Subsidiary Coin . . .	4,65,337 14 2
(a) Government	Bills purchased and Discounted :—	
(i) Central Government	124,18,49,142 3 8	(a) Internal	41,25,000 0 0
(2) Other Governments	25,53,21,593 0 5	(b) External	Nil . . . Surplus payable to the Central Government 17,50,45,805 4 7
(b) Banks	49,96,12,765 8 7	(c) Government Treasury Bills	5,41,27,417 9 8
(c) Others	41,77,36,387 9 8	Balances held abroad*	92,64,51,815 3 5
Bills Payable	2,17,92,675 8 4	Loans and Advances to Governments	47,00,000 0 0
Other Liabilities	20,97,09,874 14 11	Other Loans and Advances	37,46,90,846 2 11 RESERVE FUND ACCOUNT
		Investments	91,30,59,851 6 0 By balance on 30th June 1954. 5,00,00,000 0 0
		Other Assets	5,55,35,086 9 5 By transfer from Profit and Loss Account Nil
Total Liabilities Rs.	274,60,22,438 13 7	Total Assets Rs.	274,60,22,438 13 7 Total Rs. 5,00,00,000 0 0

* includes Cash and Short-term Securities.

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA.

We, the undersigned Auditors of the Reserve Bank of India, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at 30th June, 1954.

We have examined the above Balance Sheet with the Accounts, Certificates and Vouchers relating thereto of the Central Office and of the Offices at Calcutta, Bombay and Madras and with the Returns submitted and Certified by the Managers of the other Offices and Branches, which Returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information from the Central Board such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing the particulars prescribed by and in which the assets have been valued in accordance with the Reserve Bank of India, Act, 1934, and the Regulations framed there under and is properly drawn up so as to exhibit a true and correct view of the State of the Banks affairs' according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

S. B. BILIMORIA AND CO.
P. K. GHOSH AND CO.
SASTRI AND SHAH
C. S. DIVEKAR,
Chief Accountant (Offg.)

}
Auditors.

B. RAMA RAU, Governor.
N. SUNDARESAN, Deputy Governor.
R. NATH, Deputy Governor.
[No. F. 3 (50)-F. 1/54.]
S. G. BARVE,
Joint Secretary.

The 19th July 1954.

(Department of Economic Affairs)

CORRIGENDA

New Delhi, the 15th September 1954

S.R.O. 3003.—The following corrections shall be made in the Public Debt (Compensation Bonds) Rules, 1954, published with the notification of the Government of India in the Ministry of Finance, No. S.R.O. 2754, dated the 18th August, 1954, at pages 2060 to 2069 of the *Gazette of India*, Part II—Sec. 3, dated the 28th August, 1954, namely:—

- (i) *Page 2061*—Clause (e) of sub-rule (3) of rule 6.—Insert the word 'and' at the end.
- (ii) *Page 2064*—Sub-rule (7) of rule 11.—After the words 'in three successive issues of the' insert the words 'Official Gazette of the Government as soon as possible after the'.
- (iii) *Page 2064*—Sub-rule (8) of rule 11.—For the word 'notice', substitute the word 'notices'.
- (iv) *Page 2064*—Sub-rule (3) of rule 16.—For the word 'holder', substitute the words 'bond or'.
- (v) *Page 2066*—Rule 19.—For the figure '2' occurring before the word 'Every' and the figure '3' occurring before the words 'The Bank', substitute the brackets and figure '(2)' and '(3)' respectively.
- (vi) *Page 2069*—Form E.—For the word 'described' substitute the word 'desired'.

[No. F. 8(35)-B/53.]

H. S. NEGI, Dy. Secy.

RESERVE BANK OF INDIA
(Central Office, Bombay)

Bombay, the 7th June 1954

S.R.O. 3004.—In pursuance of Rule 3 of the Foreign Exchange Regulation Rules, 1952, the Reserve Bank of India hereby directs that the following further amendments shall be made in the notification of the Reserve Bank of India No. F.E.R.A.112/52-RB (S.R.O. 979) dated the 16th May, 1952, namely:—

In the said notification—

- (1) In column 2, against item 1, the word "Iran" shall be omitted.
- (2) In column 2, against item 4, for the words "Iran to which country", the words "any country specified by the Reserve Bank to which" shall be substituted.

[No. F.E.R.A.129/54-RB.]

Bombay, the 6th September 1954

S.R.O. 3005.—In pursuance of clause (a) of Sub-section (1) of Section 20 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Reserve Bank of India hereby directs that the following amendment shall be made in the notification of the Reserve Bank of India No. F.E.R.A.34/47-R.B. dated the 14th August, 1947, namely:—

For the existing Schedule to the said notification, the following shall be substituted, namely:—

SCHEDULE

"Any country within the Commonwealth (except Canada),
The Irish Republic,
British Trust Territories,
British Protectorates and Protected States,
Burma.

Iraq,
Iceland,
The Hashemite Kingdom of the Jordan,
Libya."

[No. F.E.R.A.130/54-R.B.]
B. RAMA RAU, Governor.

CENTRAL BOARD OF REVENUE

INCOME-TAX

New Delhi, the 30th August 1954

S.R.O. 3006.—In pursuance of sub-section (4) of section 5 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in the Schedule appended to its Notification No. 32—Income-tax, dated the 9th November, 1946, namely:—

In the said Schedule under sub-head "VII—Madhya Pradesh and Bhopal" for the existing Ranges and Income-tax Circles the following Ranges and Income-tax Circles shall be substituted, namely:—

Nagpur Range

1. Income-tax Circle, Nagpur.
2. Salary Circle, Nagpur.
3. Special Circle, Nagpur.
4. Chhindwara.
5. Yeotmal.
6. Amravati.
7. Akola.
8. Khamgaon.
9. Wardha.
10. Rajnandgaon.
11. Special Survey Circle, Nagpur (in respect of persons who have their principal place of business in or reside in the jurisdiction of the Income-tax Circles specified in entries 1, 2 and from 4 to 10).

Jabalpur Range

1. Jabalpur.
2. Khandwa.
3. Sagar.
4. Bhopal.
5. Raipur.
6. Bilaspur.
7. Raigarh.
8. Special Survey Circle, Nagpur (in respect of persons who have their principal place of business in or reside in the jurisdiction of the Income-tax Circles specified in entries 1 to 7).

2. Where an Income-tax Circle or Ward stands transferred by this Order from the Appellate Assistant Commissioner of Income-tax to another, appeals arising out of assessments made in that Income-tax Circle or Ward and pending immediately before the date of this Order before the Appellate Assistant Commissioner of the Circle or Ward from whose jurisdiction that Income-tax Circle or Ward is transferred, shall, on and from the date of this Order, be transferred to and dealt with by the Appellate Assistant Commissioner of the Circle or Ward to whom the said Circle or Ward is transferred.

INCOME-TAX

New Delhi, the 13th September 1954

S.R.O. 3007.—In pursuance of sub-section (4) of section 5 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in its Notification No. 32-Income-tax, dated the 9th November, 1946, namely:—

In the Schedule appended to the said notification under the sub-head "I-Madras", after the entries against Madras 'A' Range, the following entry shall be added, namely:—

"(13). Estate Duty *cum* Income-tax Circle, Madras City".

[No. 54.]

K. B. DEB, Under Secy.

MINISTRY OF FOOD AND AGRICULTURE

New Delhi, the 2nd September 1954

S.R.O. 3008.—In exercise of the powers conferred by clause 11 of the Sugar and Gur Control Order, 1950, the Central Government is pleased to direct that the powers conferred on it by clause 5 of the said Order shall be exercisable also by the Regional Director (Food), Calcutta, in respect of despatches of sugar from the State of West Bengal.

[No. SV-105(3)/52-53.]

H. M. PATEL, Secy.

(Agriculture)

New Delhi, the 13th September 1954

S.R.O. 3009.—The following draft of certain further amendments to the Ghee Grading and Marking Rules, 1938, which it is proposed to make in exercise of the powers conferred by section 3 of the Agricultural Produce (Grading and Marking) Act, 1937 (I of 1937), is published, as required by the said section, for the information of all persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration on or after the 15th October 1954. Any objection or suggestion which may be received from any persons in respect of the said draft before the date specified will be considered by the Central Government.

Draft Amendments

In the said Rules—

1. For rule 4, the following rule shall be substituted, namely:—

"4. Grade designation marks.—The grade designation mark shall consist, in the case of ghee packed in tin containers, of the coloured design as set out in Schedule II, and in the case of ghee packed in glass bottles, of the coloured design as set out in Schedule II-A".

2. In sub-rule (3) of rule 5, for the words "Tins containing ghee", the words Tins or glass bottles containing ghee" shall be substituted.

3. In rule 6—

(a) for sub-rule (1), the following sub-rule shall be substituted, namely:—

"(1) Either clean new tins or clean glass bottles shall be used for packing and they shall be securely closed or stoppered and sealed; and where glass bottles are so used, they may, if returned by the consumers, be used again for packing, after proper cleansing and disinfection."

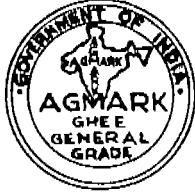
(b) in sub-rule (2), for the words "The tins shall be filled", the words "The tins or glass bottles shall be filled" shall be substituted.

4. In Schedule II, in the heading, the words "packed in tins" shall be added at the end.

5. After Schedule II, the following Schedule shall be inserted, namely:—

SCHEDULE II-A

Grade designation marks for ghee packed in glass bottles. (See Rule 4)

Grade Designation	Design of the label	Colour of lettering of grade	Colour of the circular border of the label.
(1)	(2)	(3)	(4)
Special		Red	Red
General		Green	Green

NOTE.—The labels shall be printed on water-marked paper of the Government of India and shall have a microtint background bearing the words "Government of India" in olive green colour. Each label shall be serially numbered, e.g., A 012346.

[No. F.3-9(K)/54-AM.]
SWAMI DAYAL OBEROI, Under Secy.

ORDER

New Delhi, the 18th September, 1954

S.R.O. 3010.—In exercise of the powers conferred by Section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government hereby directs that the following further amendment shall be made in the Coarse Grains (Removal of Control) Order, 1954, namely:—

In sub-clause (2) of Clause 1 of the said Order, the word "Saurashtra" shall be deleted.

[No. PYII-656(15)/54.]

S. N. BHALLA, Deputy Secy.

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 7th September 1954

S.R.O. 3011.—In the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 2227, dated the 6th July, 1954 for "24. Additional Director of Industries and Commerce, Mysore" read "24. Director, Rural Industrialisation, Bangalore".

[No. 42-Cot.Ind. (A) (9)/53.]

P. JOHARI, Dy. Secy.

New Delhi, the 11th September, 1954.

S.R.O. 3012.—Under rule 9 of the Central Advisory Council (Procedural) Rules, 1952, made under section 30 read with sub-section (3) of section 5 of the Industries (Development & Regulation) Act, 1951 (LXV of 1951), the Central Government hereby notifies that the persons specified in Column 2 of the Schedule hereto annexed were appointed as substitutes to take the place of the members of the Central Advisory Council mentioned in the corresponding entry in Column 3 of the said Schedule at the meeting of the said Council held on the 28th August, 1954.

THE SCHEDULE

S. No.	Name of the person appointed as substitute.	Name of the Member of the Central Advisory Council whose place the substitute took.
I	2	3
1	Shri. G. L. Bansal, M. P. 28-Feroz Shah Road, New Delhi.	Shri G. D' Birla
2	Mr. S. G. Davis c/o Messrs. Farry & Co., Madras.	Shri J. C. Burns.
3	Shri S. Moolgaokar, Director, Tata Industries Ltd., Bombay Housing, Bombay.	Shri P. A. Nariciwala.

P. S. SUNDARAM, Under Secy.

MINISTRY OF HEALTH

New Delhi, the 11th September 1954

S.R.O. 3013.—The following draft of a further amendment in the Drugs Rules, 1945, which it is proposed to make after consultation with the Drugs Technical Advisory Board, in exercise of the powers conferred by section 33 of the Drugs Act, 1940 (XXIII of 1940), is published as required by sub-section (1) of the said section, for the information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after the 11th October, 1954.

2. Any objection or suggestion which may be received from any person, with respect to the said draft, before the date specified, will be considered by the Central Government.

Draft Amendment

For rule 64 of the said Rules, the following rule shall be substituted, namely:—

"64. Conditions to be satisfied before a licence in Form 20 or Form 21 is granted.

(1) A licence in Form 20 or Form 21 to sell, stock and exhibit for sale, or distribute drugs shall not be granted to any person, unless the authority empowered to grant the licence is satisfied that the premises in respect of which the licence is to be granted are adequate, equipped with proper storage accommodation for preserving the properties of the drugs to which the licence applies and are in charge of a person competent in the opinion of the licensing authority to supervise and control the sale, distribution and preservation of drugs.

(2) In granting a licence under sub-rule (1), the authority empowered to grant it shall have regard—

- (i) to the average number of licences granted during the period of three years immediately preceding the 1st April, 1950, and
- (ii) to the occupation, trade or business ordinarily carried on by such applicant during the period aforesaid:

Provided that the licensing authority may refuse to grant or renew a licence to any applicant or licensee in respect of whom it is satisfied that by reason of his conviction of an offence under the Act or these rules, or the previous cancellation or suspension of any licence granted thereunder, he is not a fit person to whom a licence should be granted under this rule.

(3) Any person who is dissatisfied with any order passed by the licensing authority under sub-rule (1) may, within a period of one month from the date of the communication of such order to him, appeal to the State Government whose decision thereon shall be final."

[No. F.1-22/52-DS.]
KRISHNA BIHARI, Under Secy.

New Delhi, the 13th September 1954

S.R.O. 3014.—Dr. T. N. Banerji, M.B., M.R.C.P., D.T.M. & H., has been duly elected from Bihar as a member of the Medical Council of India under clause (c) of sub-section (1) of section 3 of the Indian Medical Council Act, 1933 (XXVII of 1933), with effect from the 17th April 1954.

[No. F.5-6/52-MI(Pt.II).]
BABU RAM, Under Secy.

MINISTRY OF TRANSPORT
(Transport Wing)

PORTS

New Delhi, the 11th September 1954

S.R.O. 3015.—In pursuance of sub-section (2) of Section 6 of the Calcutta Port Act, 1890 (Bengal Act III of 1890), it is hereby notified that in accordance with the provisions of section 15 of the said Act Dr. S. B. Dutt of Messrs Peerless Tea Co. Ltd., Calcutta, has been elected by the Bengal National Chamber of Commerce to be a Commissioner for the Port of Calcutta with effect from the 3rd September 1954, vice Shri Debes C. Ghose on leave.

[No. 9-PI(165)/54.]
K. NARAYANAN, Under Secy.

MINISTRY OF COMMUNICATIONS
New Delhi, the 13th September 1954

S.R.O. 3016.—The following draft of a further amendment to the Indian Aircraft Rules, 1937, which it is proposed to make in exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), and in supersession of the order of the Government of India in the Ministry of Communications No. 10-A/37-50, dated the 6th July, 1950, is published, as required by section 14 of the said Act, for the information of persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 10th December, 1954.

Any objection or suggestion which may be received from any person with respect to the said draft before the date specified will be considered by the Central Government.

Draft Amendment.

After rule 39-A of the said Rules, the following rule shall be inscribed, namely:—

“39B. *Medical requirements.*—With effect from the date of commencement of this rule, all candidates presenting themselves for medical examination required for the issue or renewal of licences for the different personnel of an aircraft, referred to in rule 38, shall satisfy the medical standards laid down in Chapter 6—Medical Requirements—of Annex I to the Convention on International Civil Aviation.

Provided that the renewal of licences issued before the aforesaid date under these rules in force immediately before such date shall, notwithstanding anything contained in this rule, continue to be regulated with reference to the medical standards laid down in Schedule II to the said Rules, until such time as the Central Government otherwise determines.

Provided further that any licences renewed in pursuance of the first proviso to this rule shall not be valid for international flights.”

[No. 10-A/20-53.]
D. R. KOHLI, Under Secy.

MINISTRY OF WORKS, HOUSING AND SUPPLY

New Delhi, the 7th September 1954

S.R.O. 3017.—In pursuance of clause (a) of section 2 of the Government Premises (Eviction) Act, 1950 (XXVII of 1950), the Central Government hereby authorises the Executive Engineer, Chambal Bridge Division, Central Public Works Department, Gwalior, to perform the functions of the competent authority under the said Act for the whole of the State of Madhya Bharat.

[No. WII-70(4)/54.]

K. K. SHARMA, Dy. Secy.

New Delhi, the 8th September 1954

S.R.O. 3018.—In exercise of the powers conferred by sections 5 and 7 of the Indian Explosives Act, 1884 (IV of 1884), as applied by the notification of Government of Assam No. TAD/L/4/51, dated the 27th January, 1953, to those areas of the United Khasi-Jaintia Hills District which were known as the Khasi States immediately before the commencement of the Constitution of India, the Central Government hereby makes the following rule the same having been previously published, as required by section 18 of the said Act, namely:—

The Explosives Rules, 1940 shall extend to and have effect in so much of the areas of the United Khasi-Jaintia Hills District as were known as the Khasi States immediately before the commencement of the Constitution;

Provided that the said Rules in their application to the said areas shall be subject to the same exceptions and modifications as they are subject to in the rest of the areas of the said United Khasi-Jaintia Hills District.

[No. S & P II-102(44) (ii)/51.]

J. K. ROY, Under Secy

MINISTRY OF REHABILITATION

New Delhi, the 13th September 1954

S.R.O. 3019.—In exercise of the powers conferred by sub-section (1) of Section 3 of the Displaced Persons (Claims) Supplementary Act, 1954 (No. 12 of 1954), the Central Government is pleased to appoint Shri V. Dutt to act as Additional Settlement Commissioner for the purpose of performing the functions assigned to him by or under the Sind Act, with effect from the forenoon of the 19th August, 1954.

[No. 2(25)/SB.II/54.]

M. L. PURI, Under Secy.

ORDER

New Delhi, the 16th August 1954

S.R.O. 3020.—In exercise of the powers conferred by sub-section (1) of section 19 of the Evacuee Interest (Separation) Act, 1951 (LXIV of 1951), the Central Government hereby orders that all cases in respect of the composite properties situated in the districts of Dangs and Surat pending before Shri J. H. Mehta, Competent Officer, Surat, shall stand transferred to Shri J. H. Mehta, Competent Officer, Bombay, and all cases in respect of the composite properties situated in the districts of Broach and Panch Mahals pending before Shri J. H. Mehta, Competent Officer, Surat, shall stand transferred to Shri H. S. Tadvi, Competent Officer, Ahmedabad.

[No. 2(25)/SB.II/54.]

K. J. GEORGE, Under Secy.

CENTRAL EXCISE COLLECTORATE, BOMBAY

CENTRAL EXCISE

Bombay, the 6th August, 1954

SUB:—Central Excise Rules, 1944—Delegation of powers to the Central Excise Officers.

REF:—Central Excise Rules, 1944—Rule, 5.

S.R.O. 3021.—In pursuance of Rule, 5 of the Central Excise Rules, 1944, I empower the Central Excise Officers, specified in the following table, to exercise within their respective jurisdictions the powers of a "Collector" conferred by the provisions of the said rules which are enumerated in column II of the table, subject to the limitations set out in column III thereof:—

Rank of Officers	Rules	Limitations
I	II	III
1. All Officers	199, 200	Powers under Rule 200 shall not be exercised by an officer below the rank of Inspector in respect of manufactured products unless he is posted to a factory manufacturing such products & except within the premises and in the immediate neighbourhood of such factory.
2. All officers not below the rank of Inspector.	13, 27, 56, 75, 149, 153, 177, 191(10), 197, 226, 227(3) & (4).	(1) Under Rule 13, the power of granting extension of time-limit for exportation is reserved with the Collector. (2) Under Rule 27, the power of prescribing an alternative form of store-room register is reserved with the Collector. (3) Supervisors In-charge of small factories may also exercise powers under Rules 56, 75 and 226 if authorised by the Collector.
3. All officers not below the rank of Deputy Superintendents.	3, 71(3), 72, 73, 74 * 160 & * 160 165(1) ¹ .	When specially authorised in this behalf by the Assistant Collector, ¹ Powers under Rule 165 (I) are those of the "proper officer".
4. All officers not below the rank of Superintendents.	14 read with the notification issued under Rule 12, 47(3), 59, 140, 154 and 164.	Under Rule 14, the power of granting extension of time-limit for exportation is reserved with the Collector. (2) The power to be exercised under Rule 140 is in so far as it relates to bonds mentioned in that Rule.
5. Assistant Collectors	9, 43, 46, 48, 51, 52, 65(4), 97, 98, 99 140, 161, 167(3) (4), 184, 185(1), 189, 193, 210A, 212, 227(1), and 230.	In respect of Rule, 9 (a) Powers to prescribe alternative procedure for payment of duty shall be exercised by the Collector, and (b) the accounts-current shall be maintained in the Collector's name.

6. Headquarters Assistant to the Collector.	All powers under item 5 and powers under Rule 192.	In respect of Rule 52, powers to relax the requirements of submission of clearance applications in triplicate shall be exercised by the Collector.
7. Deputy Collector	All rules cited at items 5 and 6 and powers under Rules 6, 12, 30, 38, 42, 47(4), 53, 54, 55, 58, 71(3), 75, 94, 143, 150(1), 151(a) and (b), 158, 167(1), 169, 173, 190, 191, except sub-rules (8) and (11), 194, 222, 223 and 228(1).	In respect of Rule 192, the cost of supervisory Establishment shall be determined by the Collector.

2. This Standing Order cancels Instruction Nos. T/14 of 1946, T/3 of 1947, T/4 of 1947, T/1 of 1948, T/3 of 1948, T/1 of 1949 and T/1 of 1950. [No. 191]

(Sd.) N. L. MEHTA,
Collector of Central Excise, Bombay.

REGISTRAR JOINT STOCK COMPANIES

Gwalior, the 25th August 1954

S.R.O. 3022.—In accordance with the provisions of sub-section (3) of section 247 of the Indian Companies Act (No. VII of 1913), a notice was published in Madhya Bharat Government Gazette, dated 12th March, 1953 (vide Notification No. 86, dated 5th March, 1953) that “The Rajpur (Burwani) Dayalbagh Stores Ltd.” Rajpur would be struck off the Register of Companies if no cause to the contrary was shown within 3 months from the date of the notice. As no reply in response to the above notice has been received from the Company so far, it is notified for general information that the name of the Company as above mentioned has been struck off the Register of Companies in accordance with sub-section (5) of section 247 of the Indian Companies Act (No. VII of 1913).

[No. 122.]

K. M. RANADE,
Registrar of Companies, Madhya Bharat, Gwalior.

Madras, the 27th August 1954

NOTICE PURSUANT TO SECTION 247(5)

In the matter of the Indian Companies Act, 1913 and the Narayana Rao and Company Limited

S.R.O. 3023.—With reference to the notice, dated 5th May, 1954, published on page 1065 of Part II, Section 3 of the Gazette of India, dated 22nd May, 1954, the above company not having shown cause to be contrary within the time fixed, the name of the company has, under section 247(5) of the Indian Companies Act, 1913, been struck off the register.

[No. K.1833/53.]

NOTICE PURSUANT TO SECTION 247(5)

In the matter of the Indian Companies Act, 1913 and Santha Pictures Limited

S.R.O. 3024.—With reference to the notice, dated 8th May 1954, published on page 1065 of Part II, Section 3 of the Gazette of India, dated 22nd May, 1954, the above company not having shown cause to be contrary within the time fixed, the name of the company has, under section 247(5) of the Indian Companies Act, 1913, been struck off the register.

[No. K.2152/53.]

(Sd.) V. V. RANGANATHAN,
Asstt. Registrar of Joint Stock Companies.

Imphal, the 26th August 1954

In the matter of the Indian Companies Act, VII of 1913 and the Manipur Nursery Ltd., Khwai Naga Mapan

S.R.O. 3025.—Notice is hereby given that the name of the Manipur Nursery Ltd., Manipur State, has this day been struck off the Register and that the Company is dissolved.

[No. 18/JS/II/50/131-3.]

Imphal, the 31st August 1954

S.R.O. 3026.—It is hereby notified for general information that pursuant to section 26 of the Indian Companies Act VII of 1913 an association under the name and style of the Associated Manipur Chamber of Commerce has been incorporated and numbered as No. 2 of 1954-55, dated the twenty-eighth August of the year one thousand nine hundred and fifty-four Anno Domini.

[No. 2/JS/II/54-55.]

(Sd.) Illegible,
Registrar, Joint Stock Companies, Manipur.

Visakhapatnam, the 28th August 1954

NOTICE UNDER THE INDIAN COMPANIES ACT, 1913

In the matter of the Maharanipet Dayalbagh Stores, Limited

NOTICE PURSUANT TO SECTION 247(5)

S.R.O. 3027.—Whereas no cause is shown by the company to the contrary to the notice under section 247(5), dated 2nd December, 1953, published on page 82, Part II of the *Andhra Gazette*, dated 17th December, 1953.

The name of the said company is struck off the register under section 247(5) of the Indian Companies Act, 1913.

[No. K-78/53.]

A. SATYANARAYANA PATNAIK,
Assistant Registrar of Joint Stock Companies.

Vellore, the 31st August 1954

NOTICE PURSUANT TO SECTION 247(3)

In the matter of the Indian Companies Act, 1913 and New Era Combines, Limited

S.R.O. 3028.—Whereas, the Managing Director of the above Company, has, in his letter dated 23rd August 1954, informed me that the Company is not carrying on business and it is not in operation and that therefore, it may be struck off the Register;

(2) And whereas in reply to my letter No. 488/K, dated 24th August 1954, addressed to the Company, enquiring with advertance to Section 247 (1) of the Act, the Managing Director has in his letter dated, 28th August 1954, informed me that the Company is not carrying on business, that it is not in operation and that it may be struck off the Register;

(3) And whereas it appears accordingly that the "New Era Combines, Limited" is not carrying on any business and that it is not in operation;

(4) Notice is hereby given pursuant to Section 247 (3) of the Indian Companies Act, 1913, that unless cause is shown to the contrary before the expiration of three months from the date of this notice, the name of the said Company will be struck off the Register and the Company be dissolved.

P. M. SUNDARESA SASTRI, Asst. Registrar.

Jullundur, the 3rd September 1954

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Gulistan Films Limited, Amritsar

S.R.O. 3029.—Notice is hereby given that Gulistan Films Limited against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Karnal General Transport Co. Ltd. Karnal

S.R.O. 3030.—Notice is hereby given that Karnal General Transport Co. Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913, was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Lahore Local Bus Ltd., Rupar

S.R.O. 3031.—Notice is hereby given that Lahore Local Bus Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of Section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Kapurthala Industries Ltd., Simla

S.R.O. 3032.—Notice is hereby given that Kapurthala Industries Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the Company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Bharat Chemical and General Industries Ltd., Amritsar

S.R.O. 3033.—Notice is hereby given that Bharat Chemical and General Industries Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954, is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Lahoul Traders Ltd., Kulu

S.R.O. 3034.—Notice is hereby given that Lahoul Traders Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Pathankot Chamber Ltd., Pathankot

S.R.O. 3035.—Notice is hereby given that Pathankot Chamber Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913, was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Sir Ganga Ram Cold Storage and Agricultural Industries Ltd., Ambala Cantt.

S.R.O. 3036.—Notice is hereby given that Sir Ganga Ram Cold Storage and Agricultural Industries Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Cotton Oil Mills Ltd., Batala

S.R.O. 3037.—Notice is hereby given that Cotton Oil Mills Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954 is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Kuthiala Saw Mills Co. Ltd., Hoshiarpur

S.R.O. 3038.—Notice is hereby given that Kuthiala Saw Mills Co. Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954, is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of Bir Transport Company Ltd., Pathankot

S.R.O. 3039.—Notice is hereby given that Bir Transport Company Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954, is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

NOTICE PURSUANT TO SECTION 247(5)

In the matter of Indian Companies Act VII of 1913 and of New Rorawala Pacca Arthies Association Ltd., Rorawala Mandi (Ferozepur)

S.R.O. 3040.—Notice is hereby given that New Rorawala Pacca Arthies Association Ltd. against whom notice under section 247(3) of the Indian Companies Act 1913 was issued in the *Gazette of India*, dated the 10th April 1954, is not carrying on business and no cause is shown to the contrary by the company within the time specified in the notice. Accordingly in pursuance of section 247(5) of the aforesaid Act, the name of the company has been struck off the register and the company is dissolved.

DES RAJ NANDA,
Asstt. Registrar, Joint Stock Companies, Punjab.

Lucknow, the 6th September 1954

S.R.O. 3041.—Whereas “Central Industrialists India Limited,” a company registered under the Indian Companies Act, VII of 1913, with its registered office at 4A, Tej Bahadur Sapru Road, Allahabad appears to have been closed and whereas the undersigned has reasonable cause to believe that the company is not carrying on any business or is in operation, notice is hereby given in accordance with the provisions of section 247(3) of Act, VII of 1913, that at the expiration of 3 months from the date hereof the name of the company will, unless cause is shown to the contrary, be struck off the registers of companies and the company will be dissolved.

S. B. BANERJI,
Registrar, Joint Stock Companies, U.P.

Bombay, the 6th September 1954

In the matter of the Indian Companies Act VII of 1913 and of the Prakash Dye-stuff Corporation Limited

S.R.O. 3042.—Notice is hereby given pursuant to Sub-Section (5) of the Section 247 of the Indian Companies Act VII of 1913 that the name of the Prakash Dye-stuff Corporation Limited has this day been struck off the Register and the said Company is hereby dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the Samarth Traders Limited

S.R.O. 3043.—Notice is hereby given pursuant to Sub-Section (5) of the Section 247 of the Indian Companies Act VII of 1913 that the name of the Samarth Traders Limited has this day been struck off the Register and the said Company is hereby dissolved.

Bombay, the 10th September 1954

In the matter of the Indian Companies Act, VII of 1913 and of the Phillips Pharmaceutical Proprietaries Limited

S.R.O. 3044.—Notice is hereby given pursuant to Section 247 of the Indian Companies Act VII of 1913, that at the expiration of three months from the date hereof the name of the Phillips Pharmaceutical Proprietaries Limited will, unless cause is shown to the contrary, be struck off the Register and the said Company will be dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the New Era Mercantile Corporation Limited

S.R.O. 3045.—Notice is hereby given pursuant to Sub-Section (5) of the Section 247 of the Indian Companies Act VII of 1913 that the name of the New Era Mercantile Corporation Limited has this day been struck off the Register and the said Company is hereby dissolved.

In the matter of the Indian Companies Act, VII of 1913 and of the Bombay Sunrise Corporation Limited

S.R.O. 3046.—Notice is hereby given pursuant to Section 247 of the Indian Companies Act VII of 1913, that at the expiration of three months from the date hereof the name of the Bombay Sunrise Corporation Limited will, unless cause is shown to the contrary, be struck off the Register and the said Company will be dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the Raghunathji Vinodji & Co. Ltd.

S.R.O. 3047.—Notice is hereby given pursuant to sub-section (5) of the Section 247 of the Indian Companies Act VII of 1913 that the name of the Raghunathji Vinodji & Co. Ltd., has this day been struck off the Register and the said Company is hereby dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the Plastics (Bombay) Limited

S.R.O. 3048.—Notice is hereby given pursuant to sub-section (5) of the Section 247 of the Indian Companies Act VII of 1913 that the name of the Plastics (Bombay) Limited has this day been struck off the Register and the said Company is hereby dissolved.

In the matter of the Indian Companies Act VII of 1913 and the Gujurat Colour and Chemicals Company Limited

S.R.O. 3049.—Notice is hereby given pursuant to Section 172(2) of Indian Companies Act of 1913 that the Gujurat Colour and Chemicals Company Limited has been ordered to be wound up by an order of the District Court, Mehsana dated 3rd July 1954 and Shri Sakarabhai H. Shah pleader, Mehsana has been appointed official liquidator of the company.

M. V. VARERKAR,
Registrar, Joint Stock Companies, Bombay.

Eluru, the 10th September 1954

NOTICE PURSUANT TO SECTION 247(3).

In the matter of The Indian Companies Act 1913 and the George Town Dayalbagh Stores Limited.

S.R.O. 3050.—Whereas letters addressed to the Company remain unanswered.

Whereas Shrimati T. Seshamma, a director of the Company, in her letter dated 18th January 1954, has stated that the Company is not working and has become defunct and requested that the name of the Company may be struck off the registers.

And whereas it appears accordingly, that "The George Town Dayalbagh Stores Limited" is not carrying on business or is not in operation.

Notice is hereby given pursuant to section 247(3) of the Indian Companies Act 1913, that unless cause is shown to the contrary before the expiration of three months from the date of this notice, the name of the said company will be struck off the register and the said Company will be dissolved.

K. V. NARASIMHAM CHETTY,
Asst. Registrar of Joint Stock Companies,
West Godavari, Eluru.

Jaipur, the 14th September 1954

In the matter of the Indian Companies Act VII of 1913 and of the Jai Hind Mining Corporation Ltd., Bhilwara.

S.R.O. 3051.—Notice is hereby given pursuant to sub-section (5) of Section 247 of the Indian Companies Act VII of 1913 that the name of Jai Hind Mining Corporation Ltd., Bhilwara has this day been struck off the register and the said company is hereby dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the Rajputana Mawandia Mills Ltd., Jaipur

S.R.O. 3052.—Notice is hereby given pursuant to sub-section (5) of Section 247 of the Indian Companies Act VII of 1913 that the name of Rajputana Mawandia Mills Ltd., Jaipur has this day been struck off the register and the said company is hereby dissolved.

In the matter of the Indian Companies Act VII of 1913 and of the Marwar Traders Ltd., Sambhar Lake.

S.R.O. 3053.—Notice is hereby given pursuant to sub-section (5) of Section 247 of the Indian Companies Act VII of 1913 that the name of Marwar Traders Limited, Sambhar Lake has this day been struck off the register and the said company is hereby dissolved.

[No. 1637/JSC.]

R. P. BHARGAVA,
Registrar, Joint Stock Companies, Jaipur.

MINISTRY OF LABOUR

New Delhi, the 7th September 1954

S.R.O. 3054.—In exercise of the powers conferred by section 35 of the Industrial Disputes (Appellate Tribunal) Act, 1950 (XLVIII of 1950), the Central Government hereby directs that the following further amendments shall be made in the Industrial Disputes (Appellate Tribunal) Rules, 1951, the same having been previously published, namely:—

After rule 28 of the said Rules, the following rules shall be inserted, namely:—

29. Where it is necessary to appoint a commissioner under sub-section (3) of section 20 of the Act, the industrial tribunal may appoint a person with experience in the particular industry, trade or business involved in the industrial dispute or a person with experience as a judge of a civil court, or as a stipendiary magistrate or as a member of an industrial court or industrial tribunal or as a judge of a labour court, or as, a registrar or secretary of an industrial court or industrial tribunal.

30. The industrial tribunal shall, after consultation with the parties, estimate the probable duration of the enquiry and fix the amount of the commissioner's fees and other incidental expenses and direct the payment thereof, into the nearest treasury, within a specified time, by such party or parties and in such proportion as it may consider fit. The commission shall not issue until satisfactory evidence of the deposit into the treasury of the sum fixed is filed before the industrial tribunal:

Provided that the industrial tribunal may from time to time direct that any further sum or sums be deposited into the treasury within such time and by such parties as it may consider fit:

Provided further that the industrial tribunal may, in its discretion, extend the time for depositing the sum into the treasury.

31. (1) Every order for the issue of a commission shall appoint a date, allowing sufficient time, for the commissioner to submit his report.

(2) If for any reason the commissioner anticipates that the date fixed for the submission of his report is likely to be exceeded, he shall apply, before the expiry of the said date, for extension of time setting forth the grounds thereof and the industrial tribunal shall take such grounds into consideration in passing orders on the application:

Provided that the industrial tribunal may grant extension of time notwithstanding that no application for such extension has been received from the commissioner within the prescribed time limit.

(3) The industrial tribunal may, at any time, for reasons to be recorded in writing, vary the amount of the commissioner's fees in consultation with the parties.

(4) The industrial tribunal may direct that the fees shall be disbursed to the commissioner in such instalments and on such dates as it may consider fit.

(5) The undisbursed balance, if any, of the sum deposited shall be refunded to the party or parties who deposited the sum in the same proportion as that in which it was deposited.

32. In any industrial dispute in which the industrial tribunal deems a local investigation to be requisite or proper for the purpose of computing the money value of a benefit, the industrial tribunal may issue a commission to a person referred to in rule 29 directing him to make such investigation and to report thereon to it.

33. (1) The commissioner after such local inspection as he deems necessary and after reducing to writing the evidence taken by him, shall return such evidence together with his report in writing signed by him to the industrial tribunal.

(2) The report of the commissioner and the evidence taken by him (but not the evidence without the report) shall be evidence in the industrial dispute and shall form part of the record of the proceedings in the industrial dispute; but the industrial tribunal or, with the permission of the industrial tribunal, any of the parties to the industrial dispute may examine the commissioner personally before the industrial tribunal regarding any of the matters referred to him or mentioned in his report, or as to his report, or as to the manner in which he has made the investigation.

(3) Where the industrial tribunal is for any reason dissatisfied with the proceedings of the commissioner it may direct such further enquiry to be made as it shall think fit.

34. Any commissioner appointed under these rules, may unless otherwise directed by the order of appointment—

- (a) examine the parties themselves and any witnesses whom they or any of them may produce, and any other person whom the commissioner thinks proper to call upon to give evidence in the matter referred to him;
- (b) call for and examine documents and other things relevant to the subject of enquiry;
- (c) at any reasonable time enter upon or into any land or building mentioned in the order.

35. (1) The provisions of the Code of Civil Procedure, 1908 (Act V of 1908), relating to the summoning, attendance, examination of witnesses and penalties to be imposed upon witnesses, shall apply to persons required to give evidence or to produce documents before the commissioner under these Rules.

(2) Every person who is summoned and appears as a witness before the commissioner shall be entitled to payment by the Tribunal out of the sum deposited under rule 30, of an allowance for expenses incurred by him in accordance with the scale for the time being in force for payment of such allowance to witnesses appearing in the civil courts.

36. The parties to the industrial disputes shall appear before the commissioner, either in person or by any other person who is competent to represent them in the proceedings before the tribunal.

37. In all matters connected with the execution of the commission, the commissioner shall be deemed to be a tribunal and a public servant.

[No. LR.1(191).]

N. C. KUPPUSWAMI, Dy. Secy.

New Delhi, the 7th September 1954

S.R.O. 3055.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of an application under section 33A of the said Act from Shri M. A. Bava, a stevedore workman in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, MADURAI

Wednesday, the 11th August 1954

PRESENT

Shri E. Krishnamurthi, M.A., B.L.—Industrial Tribunal at Madurai.
INDUSTRIAL DISPUTE No. 1 (CENTRAL) OF 1954

BETWEEN

M. A. Bava, Headload worker, A. S. Bava and Sons, Mattancherry.—
Petitioner.

AND

A. S. Bava and Sons, Stevedore, Mattancherry.—Respondents.

AWARD

By Order No. L.R. 2(345)I, dated 13th October 1952, the Government of India, Ministry of Labour, New Delhi, referred to this Tribunal for adjudication the dispute between certain employers of Stevedore Labour at Port Cochin, and the workers working in the port.

2. Pending adjudication, this petition has been filed under Section 33-A of the Industrial Disputes Act of 1947.

3. The petitioner's case is, that he was a headload worker in A. S. Bava and Sons, ever since the advent of their business in Mattancherry, that on 28th September 1953, the petitioner was discharged by the respondents without any valid reason, that there is a contravention of the *Status Quo Ante*, and that the respondents should be directed to reinstate the petitioner and to compensate him for the loss sustained.

4. The respondent's contention is, that the petitioner was never their workman, that there was no discharge consequently that there was no violation of the *Status Quo Ante*, that no question of reinstatement arises, that the petitioner was only a casual worker, that there is no violation of Section 33, and that the petition should be dismissed.

5. The issues that arise for determination are:—

1. Whether the petitioner was a workman under the respondents?
2. Whether there is a contravention of section 33 of the Industrial Disputes Act?
3. Whether the petitioner is entitled to reinstatement?
4. Whether the petitioner is entitled to backwages and compensation?

6. Issues Nos. 1 and 2.—The case of the petitioner is, that he was a headload worker employed by the respondents ever since they started their business, and that he was discharged unlawfully on 28th September 1953. It is alleged, that there is a violation of section 33 of the Industrial Disputes Act. The petitioner has sworn as W.W.1, that he was working as a headload worker under the respondents ever since their company was established, i.e., from the last four years. There were 8 workers working including himself. He was discharged on 28th September 1953 without any reason. He was employed daily and continuously. In cross-examination he says, that he himself passed vouchers, with his signature to the respondents towards payment of wages. There were sometimes days on which there was no work, and some times there was lack of enough work. Sometimes as many as 20 people were employed but the 8 persons including himself were always permanently employed. He was being paid by the piece rate. The evidence of Mr. Raghavan is, that he has gone to the workspot of the respondents in 1952-53, and he has seen the 8 men including the petitioner working there continuously for the respondents. He has gone and interfered and settled the disputes between the respondent and the petitioner and others.

7. On behalf of the respondents, we have the evidence of V. B. Paul, the manager of A. S. Bava and Sons. He states, that he is associated with the respondents ever since the starting of the business in 1950. When his attention is drawn to Ex. W.1, he mentions, that he does not know anything about the workmen. He is now trying to know the workmen working under the contractor. No muster roll has been kept in his company. He specifically admits, that he has seen the petitioner working in his firm since 1950.

8. I have no doubt at all, that the evidence on behalf of the petitioner represents the truth, and that he has been working for the respondents continuously and day after day ever since the latter started business in about 1950. He was an employee of the respondents and the relationship of employer and employee subsisted between them. However, the suggestion has been made at the time of trial, that the petitioner even though he might have worked for the respondents, did so only for a contractor through whom the respondents employed him. In cross-examination of W.W.1, it is elicited, that there was a moopan, but the petitioner has denied, that the said moopan was a contractor, and has sworn that the moopan never engaged him. The moopan was a headload worker along with the petitioner. The evidence of Mr. Paul is that their contractor is Moosa. He had no necessity to find out whether their contractor was engaging these men. This theory that the petitioner was engaged by the contractor Moosa and not by the respondents company direct, and that he was not a workman of the respondents cannot be accepted. Mr. Paul has deposed, that there is no written contract between his firm and the contractor. There is only a verbal contract. The rates

of wages are verbal. The book showing payment of wages will not show to whom all the wages were disbursed. It is important to note, that the plea that there was a contractor for the respondent and that he was employing men for the respondents is nowhere disclosed in the counter. Considering all circumstances, I find, that the respondent's case, that there was a contractor and that he was engaging the petitioner and others, and that the petitioner was not a workman of the respondents is unsustainable. I further find, that the petitioner was an employee of the respondents continuously from about 1950.

9. The petitioner has stated, that he was discharged from service unlawfully. He says, that he was asked to join the I.N.T.U.C., that he refused, and that thereupon he was discharged. No charge was framed and no enquiry took place. The evidence of Mr. Paul is, that he understood that someone was sent out for misbehaviour. He cannot say, whether the workman so sent out was the petitioner. He was sent out by the contractor. He cannot say whether the petitioner can be taken back. There is no satisfactory proof, that the petitioner was guilty of such conduct as to merit discharge. The petitioner was at liberty to be a member of any union he liked. I find on these issues, that the petitioner was a workman of the respondents ever since 1950, ever since the respondents started business, that he was working for them continuously till he was discharged on 28th September 1953, that the said discharge is without valid reason, and that it is in contravention of section 33 of the Industrial Disputes Act.

10. *Issue No. 3.*—The petitioner is entitled to be reinstated in service, and there are no reasons for denying this relief to him.

11. *Issue No. 4.*—With reference to the question of back wages, the petitioner deposes, that he was getting in all Rs. 90 a month. I do not, however, consider, that this is a case in which any back wages should be given especially, when the payment was by the piece rate. Moreover, as deposed to by the workman, sometimes there was no work at all. I find, that the petitioner is not entitled to any back wages or compensation.

12. In the result, the petition is allowed and an award is passed as follows:—

- I. The petitioner shall be reinstated in service by the respondents and taken back as headload workman within 15 days from the date, when this award becomes enforceable.
- II. The petitioner's claim for back wages and compensation is disallowed.
- III. The period between the date of termination of service and reinstatement shall not operate as a break in continuity of service.
- IV. There will be no order as to costs.

Dated at Madurai, this the 11th day of August 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined

For the Petitioner:—

W.W.1. M. A. Bava.

W.W.2. M. K. Raghavan.

For the Respondent:—

M.W.1. V. B. Paul.

List of Documents marked.

For the Petitioner:—

Ex. W.1. List showing details of headload workmen employed under Lever Brothers.

For the Respondent:—

'Nil'.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

[No. LR.2(345)/I.]

S.R.O. 3056.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of applications under section 33A of the said Act from Shri C. Beeran Kutty and others, workmen in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, MADURAI

Wednesday, the 11th August 1954

PRESENT:

Sri E. Krishnamurthi, M.A., B.L.—Industrial Tribunal at Madurai.

INDUSTRIAL DISPUTES Nos. 2 to 7 (CENTRAL)/54

BETWEEN:

C. Beeran Kutty (Headload worker) (I.D. No. 2(C)/54)

K. Kader Kutty (Headload worker) (I.D. No. 3(C)/54)

Ahammed Moideen Kutty (Headload worker) (I.D. No. 4(C)/54)

C. Mohammed (Headload worker) (I.D. No. 5(C)/54)

Moideen Alavi (Headload worker) (I.D. No. 6(C)/54)

B. V. Kunjahammed (Headload worker) (I.D. No. 7(C)/54)

represented by the Cochin Thuramukha Thozhilali Union, Cochin—
Petitioners.

AND

Messrs. Mookkan Devassy Ouseph and Sons, Mattancherry, Cochin—
Respondents.

AWARD

By Order No. LR.2(345)I, dated 13th October 1952, the Government of India, Ministry of Labour, New Delhi, referred to this Tribunal for adjudication the dispute between certain employers of stevedore labour at Port Cochin, and workers working in the Port.

2. Pending adjudication, these several petitions have been preferred under Section 33 of the Industrial Disputes Act of 1947 by certain headload workers, said to have been employed under the respondent, Mookkan Devassy and Sons.

3. It is alleged in the several petitions, that the respective petitioners were headload workmen, working under the respondent from a number of years past, that on 16th September 1953 the respondents denied employment to the several petitioners without any ground or reason, that the petitioners might be directed to be reinstated by the respondents, and that they might be paid compensation for the loss sustained.

4. The respondents allege, that the petitioners were at no time workmen under them, that all the work is being carried on by a contractor, that the respondents are not aware of the persons employed by the contractor, and that the several petitions should be dismissed.

5. The issues that arise for determination are:—

1. Whether the several petitioners were workmen under the opposite party as alleged by them?
2. Whether there is a contravention of section 33 of the Industrial Disputes Act?
3. Whether the petitioners are entitled to reinstatement?
4. Whether they are entitled to be paid back wages?
5. To what relief are the several petitioners entitled?

6. *Issues Nos. 1 and 2.*—These several petitions have been heard together and the common evidence is recorded in I.D. No. 2 of 1954 and a common award is passed at the request of parties.

7. The several petitioners claim to have been working as headload workers, under the opposite party Mookkan Devassy Ouseph and Sons, from a number of years prior to 16th September 1953. The petitioners' complaint is, that on 16th September 1953 they were denied employment without any valid reason, and that therefore there is a contravention of section 33 of the Industrial Disputes Act. It is common ground that I.D. No. 18 (Central) of 1951 was pending at that time.

8. The respondents have taken the objection, that the several petitioners were never workmen under them at any time. According to their contention all their work is being carried on through contractors, and they do not know the persons who are employed by the contractors.

9. The point for determination is, whether the several petitioners were workmen under the respondents. In I.D. No. 2 (Central) of 1954 the petitioner is Beeran Kutty and he says, that he was working for the respondents for about 12 years. In I.D. No. 3 (Central) of 1954, the petitioner is Kadir Kutty and he mentions, that he was employed under the respondents for about 10 years. In I.D. No. 4 (Central) of 1954 the petitioner is Ahammed Moideen Kutty, and he states, that he was employed under the respondents for about 25 years. In I.D. No. 5 (Central) of 1954 C. Mohamed, the petitioner, alleges, that the respondent was employing him for about 20 years past. In I.D. No. 6 (Central) of 1954, Moideen Alavi, the petitioner claims that he was doing work for the respondents for about 12 years. In I.D. No. 7 (Central) of 1954 the petitioner Kunhammed says, that he was working for the respondent for about 15 years. In proof of the petitioners' case reliance has been placed upon Exs. W.3 (Ex. W.11 in I.D. No. 18 (Central) of 1951). Ex. W.3 purports to be a list containing details of the several headload workers employed by the several employers including Mookken Devassy and Sons. Ex. W.1 is a copy of Ex. W.11 in I.D. No. 18 (Central) of 1951, so far as it relates to the respondents. The names of the several petitioners in I.D. Nos. 2 (Central) of 1954 to 7 (Central) of 1954 are found in Ex. W.1 and W.3 as the headload workmen employed under Mookkan Devassy and Sons. Ex. W.4 dated 17th December 1953 (Ex. W.27 in I.D. No. 18 (Central) of 1951) and Ex. W.5 dated 18th December 1952 (Ex. W.28 in I.D. No. 18 (Central) of 1951) are letters that passed between Mr. Raghavan, the President of the Cochin Thuramukha Thozhilali Union and Mookkan Devassy Ouseph and Sons, the respondent, about the rates payable to the several headload workers. Ex. W.6 (Ex. W.29 in I.D. No. 18 (Central) of 1951) is a letter written by the Assistant Secretary of the Indian Chamber of Commerce to Mr. Raghavan intimating, that the existing rate of wages may be accepted by the labourers as the matter was pending adjudication.

10. The contention of Mr. Raghavan on behalf of the several petitioners is, that they have been working as headload labourers continuously from a number of years past under the respondents, that there was no valid reason to dispense with their services on 16th September 1953, that the denial of employment to them from 16th September 1953 onwards amounts to termination of their service, without any reason, and that there is a contravention of section 33 of the Industrial Disputes Act. The contention on behalf of the respondents is, that the petitioners were never workmen under them. This plea does not appear to me to be well founded. On behalf of the petitioners we have the evidence of W.W.1 Moidcen Alavi that all the petitioners have been employed under the respondent for over 10 years. They were sent out last September without any valid reason. The further testimony of W.W.1 is, that he and others were asked to join the I.N.T.U.C. and they refused. Then they were asked to go home. They were also asked to give 10 per cent. of their wages to a Moopan. They refused. This was also said to be a reason for their discharge. In cross-examination his evidence is, that the Moopan was Bappu. The moopan used to go away just after the close of work, and he did not distribute the wages. He did not receive the money. Mookkan Devassy's manager Poranje used to pay them wages. When they were paid the wages they used to divide the amount among themselves. It was the respondents that used to settle all the disputes and not the moopans.

11. The evidence of W.W.1 Alavi, that he and other petitioners were all employed under the respondents for over 10 years as headload workmen has not been contradicted. There is no proof of the plea of the respondents that there was a contractor who employed the several petitioners or that the contractor paid their wages. The mere fact that W.W.1 Alavi admitted, that their moopan was Bapu does not mean that he and other petitioners were not the employees of the respondents. He has sworn to the fact that wages were received by him and the other petitioners, and that the moopan did not distribute the wages; though sometimes they asked the moopan to distribute the wages. From this circumstances it cannot be concluded, that the moopan was the contractor, that the several petitioners were employed by him, and that there was no kind of relationship of employer and employee between the respondents and the petitioners. There is no document produced on behalf of the respondents showing the terms of the contract between them and the contractor. On the other hand it is argued, that Ex. W.4 and W.5 show that their respondents were directly corresponding with Mr. Raghavan about the rates payable to headload workers. Considering all circumstances, I find, that the petitioners' case is true and that they have succeeded in establishing that they were employed as headload workers under the respondents for the past 10 years continuously prior to 16th September 1953.

12. The fact that the petitioners were not given employment from 16th September 1953 has not been disputed in the several counters. The denial of employment to the several petitioners amounts to a discharge when they had been employed for over 10 years under the respondents. I find, that the petitioners were discharged from service on 16th September 1953.

13. No valid reason is shown for the discharge of the petitioners. The evidence of W.W.1 is, that they were asked to join the I.N.T.U.C. and that they refused. Their refusal to join the I.N.T.U.C. does not amount to a sufficient reason for discharging them. It is open to the workers to join whichever union they pleased. I find, that the petitioners were discharged without any valid reason.

14. I find on these issues that the several petitioners were the employees of the respondents for over 10 years prior to 16th September 1953, that they were unlawfully and unjustifiably discharged on that day, and that the respondent has contravened Section 33 of the Industrial Disputes Act.

15. *Issue No. 3.*—The several petitioners have contended that they must be reinstated. There is no valid reason for denying this request. The several petitioners shall be reinstated as headload workers by the respondents.

16. *Issue No. 4.*—The petitioners have also claimed that they should be paid back wages. It is stated, by W.W. 1, that he was earning about Rs. 3 to 3-12-0 per day. His further evidence is that since 23rd September 1953 he has been unemployed. I do not consider that this is a fit case in which back wages should be paid. Especially is this so, when the petitioners were headload labourers who could have obtained employment if they had only tried. I find, that there is no case made out for payment of back wages.

17. So far as costs are concerned, I consider that the parties must bear their own costs.

18. In the result, there will be an award as follows:—

- I. All the several petitions are allowed, and each one of the petitioners shall be reinstated in service by the respondents as headload workers, within 15 days from the date when this award becomes enforceable, and the petitioners shall report themselves for employment during ordinary business hours of the respondents.
- II. The petitioners shall not be entitled to receive any back wages or compensation for the period from 16th September 1953 till date of reinstatement.
- III. The period from 16th September 1953 to the date of reinstatement shall not operate as a break in continuity of service.
- IV. There will be no order as to costs.

Dated at Madurai, this the 11th day of August 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined

For the Petitioners:—

W.W.1. Alavi.

For the Respondents:—

'Nil.'

List of Documents marked

For the Petitioners:—

- Ex. W.1. List showing the details of workers employed under Mookkan Devassy Ouseph and Sons, Cochin.
- W.2. Petition dated 27th July 1954 filed by the President, Cochin Thuramukha Thozhilali Union, Cochin.
- W.3. List showing details of headload workers employed by the various employers at Mattancherry. [Ex. W.11 in I.D. No. 18 (Central) of 1951].
- W.4. Letter dated 17th December 1952 from Mookkan Devassy Ouseph and Sons, Cochin to the President, Cochin Thuramukha Thozhilali Union, Mattancherry. [Ex. W.27 in I.D. No. 18 (Central) of 1951].

W.5. Letter dated 18th December 1952 of the President, Cochin Thuramukha Thozhilali Union, Mattancherry to the manager, Mookkan Devassy Ouseph and Sons, Mattancherry. [Ex. W.28 in I.D. No. 18 (Central) of 1951].

W.6. Letter dated 9th August 1951 from the Assistant Secretary, Indian Chamber of Commerce, Cochin to the President, Cochin Thuramukha Thozhilali Union, Mattancherry.

For the Respondents:—

'Nil'.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

[No. LR.2(345)/II.]

S.R.O. 3057.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of applications under section 33A of the said Act from Shri M. K. Ebrahim and others, Stevedore workmen in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, MADURAI

Wednesday, the 11th August 1954

PRESENT

Sri E. Krishnamurthi, M.A., B.L.—Industrial Tribunal at Madurai
INDUSTRIAL DISPUTE Nos. 8 to 81(CENTRAL)/54

BETWEEN

M. K. Ebrahim, Stevedore Worker (I.D. No. 8(Central)/54)
M. K. Ebrahim (77) Stevedore Worker (I.D. No. 9(C)/54)
Syedali Ayamu, Stevedore Worker (I.D. No. 10(C)/54)
Syedali Ryemu, Stevedore Worker (I.D. No. 11(C)/54)
Kunjava Mohamed, Stevedore Worker (I.D. No. 12(C)/54)
Kunjamarakkar Bava, Stevedore Worker (I.D. No. 13(C)/54)
Mohamed Pareekutty, Stevedore Worker (I.D. No. 14(C)/54)
Pottan Aboo, Stevedore Worker (I.D. No. 15(C)/54)
M. Beerassa, Stevedore Worker (I.D. No. 16(C)/54)
M. Mathew, Stevedore Worker (I.D. No. 17(C)/54)
Adima Hamza, Stevedore Worker (I.D. No. 18(C)/54)
K. Beeravoo, Stevedore Worker (I.D. No. 19(C)/54)
E. A. Alikunji, Stevedore Worker (I.D. No. 20(C)/54)
Moideenkunji Kunjamu, Stevedore Worker (I.D. No. 21(C)/54)
Beera Kunji Moidu, Stevedore Worker (I.D. No. 22(C)/54)
Kunjamu Abdulla, Stevedore Worker (I.D. No. 23(C)/54)
Azeez Mohamed, Stevedore Worker (I.D. No. 24(C)/54)
Abdul Hameer, Stevedore Worker (I.D. No. 25(C)/54)
A. H. Hanza, Stevedore Worker (I.D. No. 26(C)/54)
Kunjali Koyammed, Stevedore Worker (I.D. No. 27(C)/54)
K. B. Pareed, Stevedore Worker (I.D. No. 28(C)/54)
Kader Syed Mohamed, Stevedore Worker (I.D. No. 29(C)/54)
Kunjavi Azecz, Stevedore Worker (I.D. No. 30(C)/54)
Moideen Bava Ummer, Stevedore Worker (I.D. No. 31(C)/54)
K. B. Syed, Stevedore Worker (I.D. No. 32(C)/54)
Kunjamed Bava, Stevedore Worker (I.D. No. 33(C)/54)
Moidu Kunjamu, Stevedore Worker (I.D. No. 34(C)/54)
T. A. Aboo Bucker, Stevedore Worker (I.D. No. 35(C)/54)
K. R. Anthony, Stevedore Worker (I.D. No. 36(C)/54)

Maikkan Kai, Stevedore Worker (I.D. No. 37(C)/54)
 Atho Ranal, Stevedore Worker (I.D. No. 38(C)/54)
 Chawri Anthose, Stevedore Worker (I.D. No. 39(C)/54)
 Mohiyadeenkutty Moosa, Stevedore Worker (I.D. No. 40(C)/54)
 Kunjali Ambai, Stevedore Worker (I.D. No. 41(C)/54)
 K. M. Huzan, Stevedore Worker (I.D. No. 42(C)/54)
 Ali Adamkutty, Stevedore Worker (I.D. No. 43(C)/54)
 C. Mohamed, Stevedore Worker (I.D. No. 44(C)/54)
 Beera Kunji Moidu, Stevedore Worker (I.D. No. 45(C)/54)
 V. V. Joseph, Stevedore Worker (I.D. No. 46(C)/54)
 Abdulla Ali, Stevedore Worker (I.D. No. 47(C)/54)
 P. A. Mohamed, Stevedore Worker (I.D. No. 48(C)/54)
 B. Ahamed Kutty, Stevedore Worker (I.D. No. 49(C)/54)
 Chiyyan Moldeenkutty, Stevedore Worker (I.D. No. 50(C)/54)
 Pareed Esmail, Stevedore Worker (I.D. No. 51(C)/54)
 T. V. Khalid, Stevedore Worker (I.D. No. 52(C)/54)
 K. S. Peter, Stevedore Worker (I.D. No. 53(C)/54)
 P. K. Ganghadaran, Stevedore Worker (I.D. No. 54(C)/54)
 T. A. Moideenkutty, Stevedore Worker (I.D. No. 55(C)/54)
 Makkar Mohammed, Stevedore Worker (I.D. No. 56(C)/54)
 Pareed Bava, Stevedore Worker (I.D. No. 57(C)/54)
 Manikkan Sydali, Stevedore Worker (I.D. No. 58(C)/54)
 K. B. Alikunji, Stevedore Worker (I.D. No. 59(C)/54)
 Raphael Eassy, Stevedore Worker (I.D. No. 60(C)/54)
 Ouseph Pylee, Stevedore Worker (I.D. No. 61(C)/54)
 Kunjamed Mammu, Stevedore Worker (I.D. No. 62(C)/54)
 Ismail Bava, Stevedore Worker (I.D. No. 63(C)/54)
 A. B. Koya, Stevedore Worker (I.D. No. 64(C)/54)
 Kalvetti Kunjoose, Stevedore Worker (I.D. No. 65(C)/54)
 C. M. Khalid, Stevedore Worker (I.D. No. 66(C)/54)
 A. V. Kunju Mohamed, Stevedore Worker (I.D. No. 67(C)/54)
 P. B. Mohamed, Stevedore Worker (I.D. No. 68(C)/54)
 Mammy Mohamed Ali, Stevedore Worker (I.D. No. 69((C)/54)
 R. M. Khader, Stevedore Worker (I.D. No. 70(C)/54)
 Pareed Bava, Stevedore Worker (I.D. No. 71(C)/54)
 O. A. Azeez, Stevedore Worker (I.D. No. 72(C)/54)
 M. Badarudeen, Stevedore Worker (I.D. No. 73(C)/54)
 Kader Moideen, Stevedore Worker (I.D. No. 74(C)/54)
 Ouseph Chauro, Stevedore Worker (I.D. No. 75(C)/54)
 Sunny Anthony, Stevedore Worker (I.D. No. 76(C)/54)
 Joseph Fyva, Stevedore Worker (I.D. No. 77(C)/54)
 P. A. Abdu, Stevedore Worker (I.D. No. 78(C)/54)
 Ummer Ismail, Stevedore Worker (I.D. No. 79(C)/54)
 M. Abdul Khader, Stevedore Worker (I.D. No. 80(C)/54)
 Varudhu Augustine, Stevedore Worker (I.D. No. 81(C)/54)

... Petitioners.

AND

(1) Malabar Steam Ship Company Limited, Cochin, and
 (2) New Dholera Shipping and Trading Company, Cochin—Respondents.

AWARD

By Order No. L.R.2(345)I, dated 13th October 1952, the Government of India, Ministry of Labour, New Delhi, referred to this Tribunal for adjudication the

dispute between certain employers of Stevedore Labour at Port Cochin, and the workers working in the Port.

2. Pending adjudication, these petitions have been filed under Section 33A of the Industrial Disputes Act of 1947.

3. The allegations in the several petitions are practically the same, and they are to the effect, that the respective petitioners are stevedore workmen working in the Port of Cochin under the respondents, that the latter are parties to the adjudication in I.D. No. 18(Central) of 1951, that the petitioners were denied employment from 2nd September 1953, that new men were engaged for doing stevedoring work, that there is a contravention of the award dated 4th January 1952 and a violation of section 33 of the Industrial Disputes Act, and also the *Status Quo Ante*, during the pendency of the adjudication in I.D. No. 18(Central) of 1951, and that the petitioners should be directed to be reinstated with compensation for the loss sustained.

4. The counters filed by the respondents are also practically identical in the several petitions. In the counters filed by the first respondent it is alleged, that the petitioners were not working as stevedore workmen under the first respondent, that this company was not doing stevedoring work as successor of P. B. Abdul Rahman Kutty, that it was not a party to the adjudication, that there is no jurisdiction to entertain the several complaints, that there is no industrial dispute, that there is no violation by the first respondent of the terms of the award, that in any case, the workmen are all casual labourers without permanency or guarantee of service, that there is no discharge or alteration of terms and conditions of service, that the petitions under Section 33-A are not maintainable, that the several applications are misconceived, and that they should be dismissed.

5. The contention on behalf of the second respondent, is, that this company is not an employer concerned in these proceedings, as no industrial dispute between it and its workmen has been referred, and that the several petitions must be dismissed.

7. The issues that arise for determination are:—

1. Whether the several petitioners were stevedore workmen under the opposite parties?
2. Whether the counter petitioners started stevedoring work as the successors of P. A. Abdul Rahman Kutty?
3. Whether there is a contravention of section 33 of the Industrial Disputes Act?
4. Whether these petitions are maintainable under Section 33-A of the Industrial Disputes Act?
5. Whether there is no industrial dispute and consequently whether this Tribunal has no jurisdiction as contended on behalf of the first respondent?
6. Whether the second respondent is not a party to the adjudication in I.D. No. 18 (Central) of 1951 and whether the petitions are not maintainable against the second respondent?
7. To what relief, including reinstatement and/or compensation are the several petitioners entitled?

8. *Issues Nos. 1 to 4.*—These several petitions have been filed by several stevedore workers working in the Port of Cochin. They are all members of the Cochin Thuramukha Thoshilali Union which is a party to the adjudication in I.D. No. 18 (Central) of 1951.

9. In the petitions it is stated, that the counter petitioners are parties to the above adjudication in I.D. No. 18 (Central) of 1951. Both the respondents allege, that they are not parties to the adjudication. The first respondent is the Malabar Steamship Company and they are parties to the adjudication being employer No. 43, in the notification of the Government of India, dated 8th November 1952. The second opposite party is "New Dholera Shipping and Trading Company". This company is not shown as one of the parties in either of the references.

10. In the first place, the petitioner's case is, that the counter petitioners started stevedoring work, as the successors of the stevedore P. B. Abdul Rahman Kutty, a party to the adjudication proceedings. The latter is employer No. 1 in the reference dated 9th August 1951. There is no satisfactory proof of the fact, that the opposite parties are the successors in interest of the stevedore P. B. Abdul

Rahiman Kutty. The evidence of W.W. 1 Kunhammed is, that P. B. Abdul Rahiman Kutty was doing stevedoring work for the Malabar Company. The evidence of Mr. D'Cruz W.W. 2 is, that P. B. Abdul Rahiman Kutty was doing stevedoring work in "S. S. Jayalanka", "S. S. Jayasur", "S. S. Jagadamba" and S. S. Janaki". It is common ground, that these ships belong to the Malabar Steamship Company. The evidence of Mr. Rathan Singh W.W. 3 is, that he is the manager of Malabar Steamship Company, National Steamship Company, New Dholera Steamships Limited and New Dholera Shipping and Trading Company. He is working in Cochin since 1942. He is the Honorary Secretary of another Stevedores Association now. That Association came into existence in April 1954. The stevedores are New Dholera Shipping and Trading Company, for National Steamship Company, the Malabar Steamship Company and New Dholera Steamships Limited. The new Dholera Shipping and Trading Company has been doing stevedoring work and clearing and forwarding since 1945. They were doing this work for all the three steamer companies through P. B. Abdul Rahman Kutty. He was carrying out the work as per the contract between him and New Dholera Shipping and Trading Company. He explains that P. B. Abdul Rahman Kutty was the stevedoring contractor for all the three steamship companies.

11. The evidence establishes, that P. B. Abdul Rahman Kutty was a stevedore who was doing stevedoring for all the three steamship companies referred to above. Even granting this, I fail to see how it can be held, that the first respondent The Malabar Steamship Company Limited, can be held to be the successor in interest of P. B. Abdul Rahman Kutty. The Malabar Steamship Company cannot be said to be the stevedore doing work in succession to P. B. Abdul Rahman Kutty.

12. So far as the second respondent is concerned, there is the evidence of Mr. Rathan Singh, that the New Dholera Shipping and Trading Company was the stevedore for all the three steamship companies. He has also admitted, that the said company was doing the work for all three steamer companies through P. B. Abdul Rahman Kutty. Granting this, it does not follow, that the second respondent is the successor in interest of P. B. Abdul Rahman Kutty. Because Abdul Rahman Kutty was doing stevedoring work only as per the contract between him and the "New Dholera Shipping and Trading Company". When Abdul Rahman Kutty was doing stevedoring work only as per contract, it cannot be held that the second respondent is the successor in interest of P. B. Abdul Rahman Kutty. I find, that it has not been established that the two respondents have been doing stevedoring work as the successors in interest of P. B. Abdul Rahman Kutty.

13. In the second place, it is alleged in the petitions, that the second opposite party was employing in several petitioners and other stevedoring workers as the successor of stevedore P. B. Abdul Rahman Kutty, that on 2nd September 1953 the said company denied employment to the petitioner and other workers in the Steamer "S. S. Jayalanka" and further denied employment from 16th September 1953 to the petitioners and other workers in the other steamers also and engaged new men, and that this action amounts to a contravention of section 33 of the Industrial Disputes Act. The documents that have been filed in support of the petitioners' case are Ex. W. 1 to W. 5. Ex. W. 1 is a letter dated 11th August 1952 by the National Steamships Company Limited to the Secretary, Cochin Thuramukha Thozhilali Union enclosing a copy of a letter which is Ex. W. 2. In Ex. W. 2 it was stated, that two of the stevedore workmen had been guilty of pilferage. To this the reply Ex. M. 3 was sent and a copy thereof is Ex. W. 3. In Ex. M. 3 it was stated by Mr. Raghavan, that the matter had been taken up, and that the two persons were sent out of the gang. Ex. W. 4 is the copy of the letter dated 31st July 1953, addressed to the manager of the Malabar Steamship Company, by Mr. Raghavan, intimating, that the stevedore workmen and the union had been informed about the change in the stevedoreship. Ex. W. 5 dated 2nd September 1953 is a communication by the President Mr. Raghavan to the Administrative Officer, complaining, that the New Dholera Shipping and Trading Company had denied work to the usual men, that the regular workmen were out of work, and that the Administrative Officer should interfere in the matter.

14. The evidence of W.W. 1 Kunhamohamed is, that he was working in the Malabar Company as stevedore tindal for about 8 years. Now he has no work from 2nd September 1953. He was permanently employed by the Malabar Company in their ships. He did not work in any steamers other than those of the Malabar Company, when P. B. Abdul Rahman Kutty was the stevedore. Mr. D'Cruz W.W. 2 deposes, that he has been a stevedore for about 20 years. Stevedoring workers are not confined to one stevedore. They work for different stevedore in different steamers of different companies. The stevedore labourers are employed in rotation. The employment of stevedore labourers by rotation is the result of

an agreement between the Cochin Thuramukha Thozhilali Union and the stevedores. Before this, the Stevedore labourers were attached casually to one or other of the stevedores. The evidence of Mr. Rathan Singh is, that no regular workers are attached to any particular stevedore or steamers. The workers come for work to each and every ship in search of work.

15. From the evidence it is clear, that the stevedore workers are employed by the stevedores only on a casual and day-to-day basis. They are not the workmen concerned of any particular stevedore or any particular steamer. It may be that on occasions, they might work in particular ships, or for a particular stevedore for some time, but this would not make them the employee of the particular stevedore or the steamship company concerned. In this connection, the decision in Bank Line (India) Limited (vs.) Their Workmen, 1952-II, L.L.J., 470 is important. This decision was confirmed in Shipping Employees Union and Sri J. N. Majumdar and others, 1954-I, L.L.J., 888. In this decision the question arose with reference to tally clerks. It was found that the tally clerks were employed for a particular job and there was no obligation to continue to employ them. They ceased when the job for which they were taken was finished. The stevedores could not compel any person of the indefinite group to accept a tallying job, except when that person was unoccupied. Nor can a particular person in the group force himself upon the company when any of their ships was in port. The above observations apply to the facts of this case. There is an indeterminate fluctuating body of stevedore workers. There is no muster roll kept, and there is no system of registration. It could by no means be predicted that any particular worker was the employee of any particular stevedore or of any particular steamship company. It is also important to note the evidence of Mr. D'Cruz that the stevedore workers were being employed by rotation. This shows that in order to have equitable employment as between a large number of workers, a system of rotation was resorted to. Another important fact to be noted is that the steamer agents as well as the stevedores looked to the Cochin Thuramukha Thezohilali Union for punishment of any member of a gang sent up by the union for work on a particular ship as is proved by the letters Ex. W. 1 W. 2 and Ex. W. 3. It was not as though the stevedore labourers were the workmen concerned of the stevedore or steamship company or that they could be punished by the latter. Whenever work was available in the steamers, particular gangs of stevedoring workers were employed. It may be that they worked in the steamers of the first respondent, or for the second respondent, or Abdul Rahman Kutty who was doing stevedoring work. But it did not entail any obligation on their part to serve the respondents only and they were free to choose and do work on other steamers and for other stevedores. On a consideration of the evidence I am unable to hold that the several petitioners were at any time the workmen concerned of the respondents.

16. In the above circumstance, I fail to see, how it can be held, that the petitioners can say, that there is a contravention of section 33 of the Industrial Disputes Act. There is no condition of service attached to them, and they were not workmen of the respondents.

17. In the third place, the terms of the interim award referred to have not been contravened in any manner when according to that award the stevedores could engage men according to the practice then existing though they were obliged to engage men through the Employment Exchange when it began to function. It is admitted before me, that the employment exchange has not been registering any stevedore workers at all.

18. In the fourth place, the contention that there is a contravention of the *Status quo Ante* is equally unsustainable. It is clear, that there was a confused state of affairs prior to the reference. A reference to the statements filed by the will reveal the utterly unsatisfactory state of affairs then prevailing and wanted a decasualisation scheme introduced. Because it was thought no remedy this chaotic situation, and to ensure security of employment to the workers in the Port of Cochin, the reference was made. Therefore, I point in saying, there is a breach of the conditions that prevailed in reference or of the *Status quo Ante* when the state of affairs then and confused.

19. Neither is there any force in the contention that workmen of stevedore labourers working in the Port of Cochin have been employees. The evidence of M.Ws. 1 to 3 is that they have been working in the Port of Cochin, from a number of years past. M.W. 1 K. Bava started working ever since 1942 and he was formerly a member of the Thozhilali Union. K. M. Siddique says, that he was a full

Cochin Thuramukha Thozhilali Union and his admission card is Ex. M. 4. He has been doing stevedoring work ever since 1951 in the Cochin Port. M.W. 3 Varko deposes, that he has been doing stevedoring work during the last 20 years. The witness deposes, that he was working on board the Steamers of the Malabar Steamship Company and for different stevedores. Even supposing that the petitioners were not employed by the second respondent for stevedoring work in the ships of the Malabar Steamship Company, other stevedore workers who have been working in the Port of Cochin from a long time past, have been employed. No exception can be taken to the same.

20. It is however argued by Mr. Raghavan, that the several petitioners have been working from several years past as stevedore labourers, and that they are left without any remedy, in spite of the interim award, and that the respondents are not acting according to the terms of the said award. So far as the interim award is concerned it is no more valid, in face of the final award that has been published on 23rd March 1954. Moreover, it is not as though the petitioners are without remedy. In order to provide security of employment a scheme has been drawn up under the final award according to which the stevedore labourers have to be employed by rotation. The remedy lies in carrying out the arrangement under the award. Mr. Raghavan, however, points out, that no attempt has been made so far even to constitute the Administrative Committee envisaged in the award. It is specifically laid down in the award, that the Administrative Officer who is to be the *Ex-officio* Chairman of the Committee, should take all possible and speedy steps to empanel the Administrative Committee so that the directions laid down in the award may be carried out. If this has not been done till now even though four months have elapsed since the publication of the award it is highly regrettable. It is hoped, that the Administrative Committee will be speedily constituted and the directions in the award carried out so that the workers are not put to hardship.

21. Considering all circumstances, I am of opinion, that it is not proved that the petitioners were ever the workmen of the respondents, that there is no contravention of section 33 of the Industrial Disputes Act, and that there has been no change in the terms and conditions of service, and that the several petitions do not lie under Section 33-A.

22. Issue No. 5.—With reference to the contention in the counter that the first respondent the Malabar Steamship Company is not a party to the reference, and that therefore there is no industrial dispute, and that consequently this Tribunal has no jurisdiction to entertain these petitions, it is untenable. I have already referred to the fact, that the Malabar Steamship Company is employer No. 43 in the second reference dated 8th November 1953. The above issue is found against the first respondent.

23. Issue No. 6.—So far as the second respondent, New Dholera Shipping and Trading Company is concerned, it is not shown to be a party to either reference. These petitions do not lie against the second respondent. However, Mr. Raghavan contends, that the Malabar Steamship Company and the New Dholera Shipping and Trading Company are one and the same. Mr. Rathan Singh deposes, that the four companies referred to by him are all separate concerns. Separate returns for the purposes of Income-tax are being submitted for all the four companies. Ex. M. 1 and M. 2 are filed to show, that the New Dholera Steam Ships Company Limited and New Dholera Shipping and Trading Company are different concerns. They are different entities in the eye of law. The fact that they are under the same management, or that they are carrying on business in the same premises, will not make any difference to this conclusion. I find, that the New Dholera Shipping and Trading Company is a separate legal entity, that it is not a party to the reference, therefore these petitions are not maintainable against the said company.

24. Issue No. 7.—In view of my findings as above, the several petitions are dismissed as to costs. Award is passed accordingly.

Madurai, this the 11th day of August 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined.

Kunhu Muhamed.
J. D'Cruz.

W.W. 3 ... Rathan Singh.

For the Respondents:—

M.W. 1 ... P. K. Bava.

M.W. 2 ... K. M. Siddique.

M.W. 3 ... T. Varko.

List of Documents marked.

For the Petitioners:—

Ex. W. 1 Letter, dated 11th August 1952 from the National Steamship Company Limited to the Secretary, Cochin Thuramukha Thozhilali Union, Cochin.

W. 2 Copy of letter, dated 2nd August 1952 from the Captain "S. S. Jayalanka" Cochin Port, to the Manager, National Steamship Company Limited, Cochin.

W. 3 Copy of Ex. M. 3.

W. 4 Letter, dated 31st July 1953 from the Cochin Thuramukha Thozhilali Union, Cochin, to the Manager, Malabar Steamship Company, Mattancherry.

W. 5 Letter, dated 2nd September 1953 from the President, Cochin Thuramukha Thozhilali Union, Cochin, to the Administrative Officer, Willingdon Island.

For the Respondents:—

Ex. M. 1 Memorandum and Articles of Association of the New Dholera Steamships Limited.

M. 2 Memorandum and Articles of Association of the New Dholera Shipping and Trading Company Limited.

M. 3 Letter, dated 15th August 1952 from the President, Cochin Thuramukha Thozhilali Union, Mattancherry, to the National Steamship Company Limited, Mattancherry.

M. 4 Subscription receipt, dated 2nd February 1952 given to K. M. Siddique by the Cochin Thuramukha Thozhilali Union, Mattancherry.

M. 5 Subscription receipt, dated 26th September 1951 given to P. T. Varko by the Cochin Thuramukha Thozhilali Union, Mattancherry.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai,
[No. LR. 2(345)/III.]

New Delhi, the 10th September 1954

S.R.O. 3058.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of an application under section 33A of the said Act from Shri K. M. Essa, Stevedore workman in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, MADURAI

Wednesday, the 11th August 1954

PRESENT

Sri E. Krishnamurthi, M.A., B.L.—Industrial Tribunal at Madurai.

INDUSTRIAL DISPUTE No. 218 (CENTRAL)/54

BETWEEN

K. M. Essa, Stevedore Workman, Mattancherry, Cochin—Petitioner.

AND

M/s. J. W. D'Cruz and Sons, Stevedores, Cochin—Respondents.

AWARD

By Order No. L.R.2(345)-I, dated 13th October, 1952, the Government of India, Ministry of Labour, New Delhi, the industrial dispute between the Cochin Port

Stevedores and the workmen employed by them was referred to this Tribunal for adjudication.

2. Pending adjudication, this petition is filed by K. M. Essa, a stevedore workman, under section 33-A of the Industrial Disputes Act, and his case is, that he was a workman under the opposite party J. W. D'Cruz, that he was unlawfully discharged with effect from 4th January, 1954 and that he may be directed to be reinstated.

3. The respondent contends, that the allegations in the petition are not true, that the petitioner was not a workman of the respondent that for doing whatever work was available the workmen are engaged in the morning and discharged in the evening and that the petition is without any merits.

4. The issues that arise for determination are:—

1. Whether the petitioner was a workman under the opposite party?
2. Whether the petitioner was discharged from service with effect from 4th January, 1954?
3. If the discharge is true, whether it is legal and valid?
4. Whether the petitioner is entitled to reinstatement?
5. To what further relief, if any, is the petitioner entitled?

5. *Issues Nos. 1 to 5.*—The petitioner herein is K. M. Essa who claims to have been employed under the opposite party Mr. J. W. D'Cruz. He alleges, that he was unlawfully discharged from service with effect from 4th January, 1954. The respondent has denied, that the petitioner was ever a workman of his. The petitioner did not care to appear on the date of hearing. There was no appearance for him. Mr. K. A. Rajan and Mr. T. C. Narayanasakutti Menon stated that they did not appear for the petitioner. The petitioner's case has not been proved. In the above circumstances the petition fails and must be dismissed.

6. In the result an award is passed as follows:—

- I. The petition is dismissed.
- II. No order as to costs.

Dated at Madurai, this the 11th day of August, 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined and Documents marked.

'Nil.'

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.
[No. LR.2(345)IV.]

S.R.O. 3059.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of an application under section 33A of the said Act from Shri E. G. Daniel, Stevedore workman in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, MADURAI

Wednesday, the 11th August 1954

PRESENT

Sri E. Krishnamurthi, M.A., B.L.—Industrial Tribunal at Madurai.

INDUSTRIAL DISPUTE NO. 219 (CENTRAL)/54

BETWEEN

E. G. Daniel, Stevedore Workman, Pattalam, Fort Cochin—Petitioner.

AND

Mr. W. H. D'Cruz, Stevedore, Fort Cochin—Respondent.

AWARD

By Order No. L.R.2(345)-I, dated 13th October, 1952, the Government of India, Ministry of Labour, New Delhi, the industrial dispute between the Cochin Port

Stevedores and the workmen employed by them was referred to this Tribunal for adjudication.

2. Pending adjudication, this petition was filed by E. G. Daniel under section 33-A of the Industrial Disputes Act.

3. The petitioner's case is, that he was permanently employed by the opposite party from 1938 onwards, that the petitioner was discharged from service after 14th September, 1953, that the discharge of the petitioner is unlawful, and that the petitioner should be directed to be reinstated in service together with compensation.

4. The respondent alleges, that he has no permanent labour force, that it is not possible to have permanent labour force in stevedoring work, that work is given only on a casual day to day basis, that the directions contained in the interim award are being implicitly followed, and that there are no merits in the petition.

5. The issues that arise for determination are:—

1. Whether the petitioner was employed under the respondent for about 16 years as alleged?
2. Whether the workman is an employee of the opposite party?
3. Whether there is a contravention of section 33 of the Industrial Disputes Act?
4. Whether the petitioner is entitled to reinstatement?
5. Whether he is entitled to be paid backwages?

6. *Issues Nos. 1 and 2.*—The petitioner G. Daniel states, that he was employed by the opposite party for over 15 years, and that he was unlawfully discharged after 14th September, 1953, and that no work has been given to him thereafter. It is pointed out on behalf of the petitioner, that the counter-petitioner has not expressly denied the allegation, that the petitioner was a stevedore workman employed by the opposite party for about 15 years past, in his counter. Except, that the respondent has stated, that he has no permanent labour force and that it is not usual or possible to have a permanent labour force, there is no express denial of the allegation in the petition, that the petitioner was a stevedore worker under the respondent for the past 15 years. The petitioner has sworn that he was working for the respondent's business ever since the brother of the proprietor was managing the same. He says that he was a foreman and that he was getting Rs. 4-12-0 during day and Rs. 6-12-0 during nights. He was permanently employed by the respondent. He has deposed, that he used to go to Calicut, Mangalore and Alleppey for carrying on the stevedoring work of the respondent. On two or three days in a month he did not have any work. He used to go to other places only at the bidding of the respondent. The respondent Mr. D'Cruz says, as M.W. 1 that the petitioner never worked for him, and he cannot say when the petitioner worked for him or when he began working for him. This evidence cannot be easily accepted in face of the fact, that there is no denial in the counter of the allegation in the petition, that the petitioner worked for over 15 years. Mr. D'Cruz says, that the petitioner was a tindal and not a foreman. It may be that he worked as a tindal and not as a foreman. From the evidence I am led to conclude that the petitioner worked as a tindal for the respondent in his business for over 15 years prior to 15th September, 1953.

7. The evidence of the petitioner is, that he was refused work because he became an accused person in the Mattancherry firing case. He was working till the firing incident which took place on 15th September, 1953. From the mere fact, that the petitioner became an accused person in the case, it cannot be said, that he is guilty of misconduct as to justify discharge. No reason is given by Mr. D'Cruz and on the contrary his case is, that the petitioner never worked for him and was going for hauling china nets. This part of the case has been found to be unacceptable. I find, that the respondent discharged the petitioner after 14th September, 1953 without any valid reason.

8. The petitioner is entitled to be reinstated, and there are no reasons shown against the same.

9. The petitioner deposes, that he was getting Rs. 4-12-0 a day and Rs. 6-12-0 during nights as a foreman. The petitioner was not a foreman but only a tindal. There is no case made out for giving back wages or compensation and this part of the claim is rejected.

10. In the result, the petition is allowed in part and the respondent is directed to reinstate the petitioner within 15 days from the date the award becomes enforceable employing him as a stevedore worker doing the duties of a tindal. The petitioner's claim for recovery of back wages and compensation is dismissed. There will be no order as to costs. An award is passed accordingly.

Dated at Madurai, this the 11th day of August, 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined

W.W. 1, G. Daniel—*For the Petitioner.*

M.W. 1, W. H. D'Cruz—*For the Respondent.*

List of Documents marked

'Nil'

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

[No. LR.2(345)/V.]

S.R.O. 3060.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madurai, in the matter of applications under section 33A of the said Act from Shri Raman Govindan and others, workmen in Cochin Port.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL,
MADURAI

Wednesday, the 11th August 1954

PRESENT

Sri E. Krishnamurthi, M.A., B.L., Industrial Tribunal at Madurai.

INDUSTRIAL DISPUTE Nos. 220 to 222 (CENTRAL)/54.

BETWEEN

Raman Govindan (Head Load Worker)—I.D. No. 220(C)/54,

Pappu Raghavan (Head Load Worker)—I.D. No. 221(C)/54,

Pappu Madhavan (Head Load Worker)—I.D. No. 222(C)/54,

represented by the Cochin Port Cargo Labour Union, Mattancherry, Cochin—Petitioners.

AND

The management, South India Corporation Limited, Willingdon Island, Cochin—Respondents.

AWARD

By Order No. L. R. 2(345)I, dated 13th October 1952, the Government of India, Ministry of Labour, New Delhi, the industrial dispute between the Cochin Port Stevedores and the workmen employed by them was referred to this Tribunal for adjudication.

2. Pending adjudication these several petitions have been filed under Section 33-A of the Industrial Disputes Act.

3. The allegations in the several petitions are, that the respective petitioners were employees under the respondent M/s. South India Corporation Limited, Willingdon Island, that as per the award in I. D. No. 16 (Central) of 1953 they were given employment, but no employment has been given to him from about 3 months prior to the date of the petitions, that the respondents have committed a breach of Section 33 of the Industrial Disputes Act and that the petitioner should be reinstated in service and that they must be paid back wages and compensation.

4. The contention on behalf of the respondents is, that these several petitioners are not permanent head load workers under the respondents, that there is no violation of Section 33 of the Industrial Disputes Act or of the Award in I. D. No. 16 (Central) of 1953, and that the petitioners are not entitled to any relief.

5. The issues that arise for determination are:—

1. Whether the several petitioners were workmen under the respondents as alleged?
2. Whether there is a contravention of the terms of the award in I. D. No. 16 (Central) of 1953 by the respondents?
3. Whether there is a contravention of section 33 of the Industrial Disputes Act?
4. To what relief including reinstatement and/or compensation are the several petitioners entitled?

6. Issues Nos. 1 to 4.—At the time these several petitions came on for hearing both the parties were persuaded to agree to a settlement. The matters in dispute were settled and a joint memo. was filed in terms of Ex. W. 1. and the same is in the following terms:—

“In the light of the assurance given by the opposite party M/s. South India Corporation Limited, that no discrimination will be shown in the distribution of works we do not want to press the petition.”

7. In view of the settlement Mr. K. A. Rajan, Joint Secretary of the Cochin Port Cargo Labour Union, Mattancherry, stated that he was not pressing the petitions.

8. In the result the several petitions are dismissed as not pressed. No order as to costs.

Dated at Madurai, this the 11th day of August 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined.

‘Nil’

List of Documents marked.

For the Petitioners:—

Ex. W.1.—Petition dated 28th July 1954 filed by the Joint Secretary, Cochin Port-Cargo Labour Union, Mattancherry, before the Industrial Tribunal at Madurai.

the Respondents:—‘Nil’.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

[No. LR. 2(345)/VI.]

pursuance of section 17 of the Industrial Disputes Act, 1947 Central Government hereby publishes the following award of Madurai, in the matter of applications under section 33A Shri M. P. Kasim and three others, workmen in Cochin Port.

THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL.
MADURAI

Wednesday, the 11th August 1954

PRESENT

E. Krishnamurthi, M.A., B.L., Industrial Tribunal at Madurai.

INDUSTRIAL DISPUTES Nos. 223 to 226 (CENTRAL)/54.

BETWEEN

“Boat Worker”—I. D. No. 223(C)/54,

“Cargo Boat Worker”—I. D. No. 224(C)/54,

“Cargo Boat Worker”—I. D. No. 225(C)/54,

“Boat Worker”—I. D. No. 226(C)/54—petitioners.

AND

“Savodore, Boat owner and Contractor, Fort

AWARD

By Order No. L. R. 2(345) I, dated 13th October 1952, the Government of India, Ministry of Labour, New Delhi, the industrial dispute between the Cochin Port Stevedores and the workmen employed by them was referred to this Tribunal for adjudication.

2. Pending adjudication these several petitions have been filed under Section 33-A of the Industrial Disputes Act of 1947.

3. The allegations in the several petitions are identical and they are to the effect, that the several petitioners were cargo boat labourers permanently employed by the opposite party Sri T. K. Cheria Paree, that on 11th December 1953 the petitioners were dismissed by the respondent, that on intervention of the Central Government Conciliation Officer an agreement was arrived at on 3rd February 1954 whereby the respondent agreed to reinstate the petitioners, that in spite of this the respondent did not reinstate them, that the dismissal of the petitioners by the respondent is illegal and amounts to a violation of section 33 of the Industrial Disputes Act during the pendency of Industrial Dispute No. 18 (Central) of 1951, and that the respondent should be directed to reinstate the petitioners and grant further relief.

4. No counter has been filed on behalf of the respondent.

5. The issues that arise for determination are:—

1. Whether the petitioners were employees of the respondent as alleged by them?
2. Whether they were unlawfully dismissed?
3. Whether the dismissal is legal and valid?
4. Whether the petitioners are entitled to reinstatement?
5. To what relief are the petitioners entitled?

6. *Issues Nos. 1 to 5.*—At the time these petitions came up for hearing there was no appearance on behalf of the petitioners. None of the petitioners appeared. Mr. K. A. Rajan and Mr. T. C. Narayana Kutti Menon stated that they did not appear for them. The petitioners' case has not been proved. In the above circumstances I dismiss the several petitions without costs.

7. In the result an award is passed as follows:—

- I. The several petitions are dismissed for want of prosecution.
- II. No order as to costs.

Dated at Madurai, this the 11th day of August 1954.

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

List of Witnesses Examined and Documents marked

'Nil'

E. KRISHNAMURTHI,
Industrial Tribunal at Madurai.

[No. L.R. 2(345)/VII.]

New Delhi, the 11th September 1954

S.R.O. 3062.—In exercise of the powers conferred by section 35 of the Industrial Disputes (Appellate Tribunal) Act, 1950 (XLVIII of 1950), as extended to Chandernagore, the Central Government hereby makes the following Rules, namely:—

1. These Rules may be called the Chandernagore Industrial Disputes (Appellate Tribunal) Rules, 1954.

2. The Industrial Disputes (Appellate Tribunal) Rules 1951, for the time being in force in a Part 'C' State shall extend also to Chandernagore.

[No. L.R.I(58)/54.]

ORDERS

New Delhi, the 10th September 1954

S.R.O. 3063.—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the New India Assurance Company Limited, Patna, and their workmen in respect of the matters specified in the Schedule hereto annexed.

And whereas the Central Government considers it desirable to refer the said dispute for adjudication.

Now, therefore, in exercise of the powers conferred by clause (c) of subsection (1) of section 10 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby refers the said dispute for adjudication to the Industrial Tribunal at Dhanbad, constituted under section 7 of the said Act.

THE SCHEDULE

(i) Whether the termination of the services of Shri Nagendra Nath Bhattacharya from the Patna Office of the Company was justified?

(ii) If not,

(a) whether he should be reinstated; and

(b) whether, and if so what, additional reliefs should be allowed to him.

[No. LR.90(102).]

New Delhi, the 11th September 1954

S.R.O. 3064.—In exercise of the powers conferred by section 10 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government hereby directs that the following amendments shall be made in the Order of the Government of India in the Ministry of Labour No. S.R.O. 1356, dated the 20th April, 1954, namely:—

In Schedule I annexed to the said Order the following entries shall be inserted—

“3. The Kolar Gold Field Electricity Department.

4. The Kolar Mine Power Station.”

[No. LR. 2(375).]

P. S. EASWARAN, Under Secy.

New Delhi, the 10th September 1954

S.R.O. 3065.—The following draft of a further amendment to the Indian Dock Labourers Regulations, 1948, which it is proposed to make in exercise of the powers conferred by section 5 of the Indian Dock Labourers Act, 1934 (XIX of 1934), is published, as required by section 7 of the said Act, for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 15th October, 1954.

Any objections or suggestions which may be received from any person with respect to the said draft before the date specified will be considered by the Central Government.

Draft Amendment

In Forms III to VIII of the Forms appended to the Regulations, under the heading ‘Notes’ or ‘Note’, as the case may be, for the definition of ‘competent person’ the following definition shall be substituted, namely:—

“Competent person” means an official of a workshop in India approved for any of the specified purposes in respect of testing, examination, annealing or certification of plant, lifting machinery or gear by the Central Government or by an authority nominated by the Central Government in that behalf, and any other person who is recognised as a ‘competent person’ for the purposes of the national regulations in force in other countries for the implementation of the Protection against Accidents (Dockers) Convention (Revised), 1932, adopted by the International Labour Conference.”

[No. Fac.38(71) (i).]

K. N. NAMBIAR, Under Secy.

